

# Financial Results for the Nine Months Ended 31 March 2016

## Recommendation

That the Board:

- i. Receives the report.

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## Executive Summary

### Financial results for the nine months ended 31 March 2016:

	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	(2.9)	0.0	↔ ●	504.9	504.9	668.8
Total operating expenditure	5.5	6.1	↓ ●	716.5	722.6	981.0
Surplus/(deficit) from operations	2.7	6.1	↓ ●	(211.6)	(217.7)	(312.2)
Income for capital projects	(33.8)	(37.2)	↓ ●	459.1	496.3	714.2
Net surplus/(deficit) before tax	(31.1)	(31.1)	↓ ●	247.5	278.6	402.1
Total direct capital	10.7	62.6	↓ ●	352.2	414.8	607.7

#### Key to symbols used:

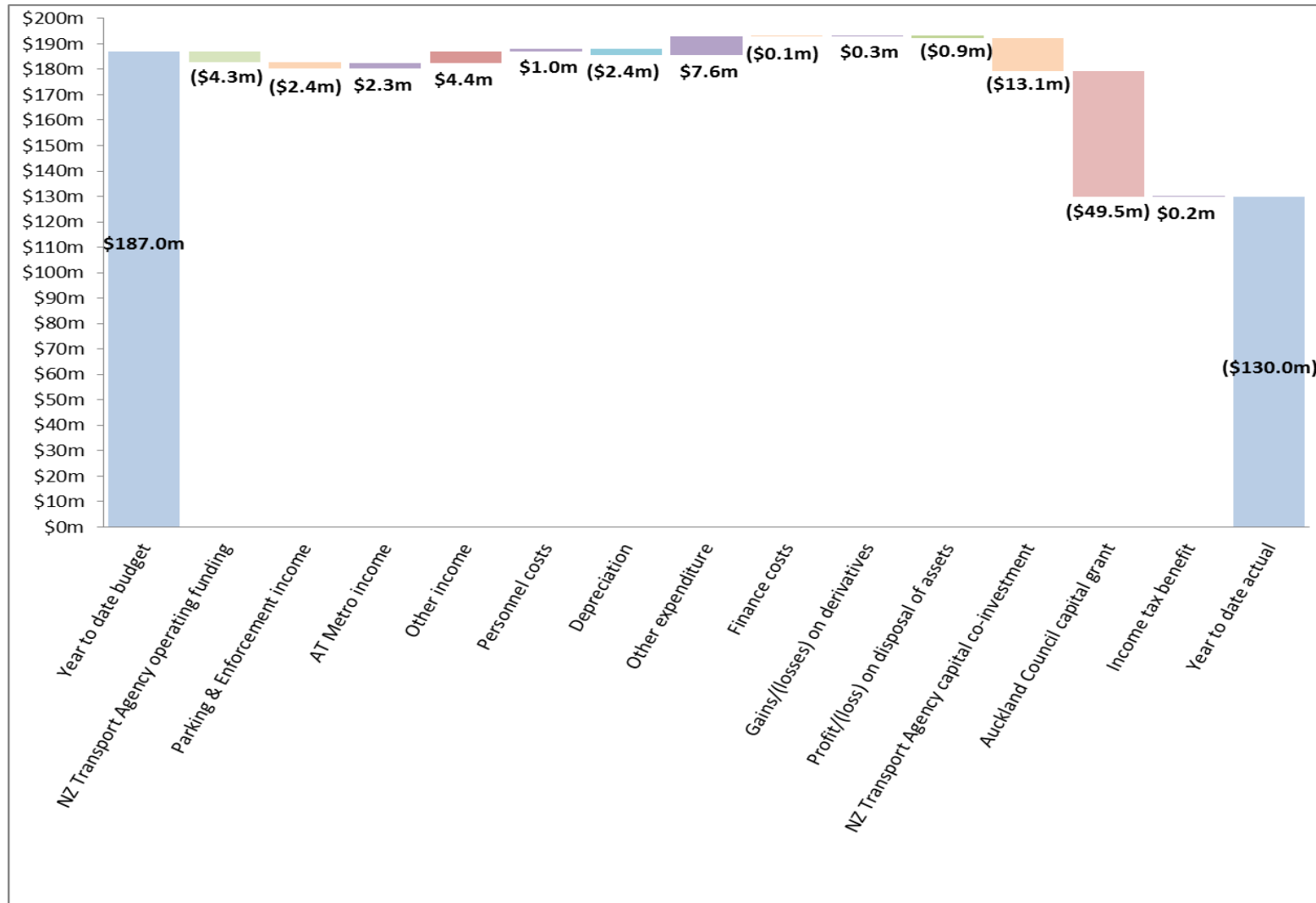
↔	: Within tolerable range	↑	: Above budget, favourable variance.
↓	: Below budget, unfavourable variance.	●	: Largely on track
↓	: Below budget, favourable variance.	●	: Monitoring, some action taken
↑	: Above budget, unfavourable variance.	●	: Action required

## Section 2a – Financial results for the nine months ended 31 March 2016

	Current month			Year to date			Results achieved	Full year Revised Budget \$000
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000		
<b>Income</b>								
<u>Operating income</u>								
Auckland Council funding	20,813	20,813	-	187,316	187,316	-	●	249,755
NZ Transport Agency operating funding	18,864	21,755	(2,891)	176,780	181,103	(4,323)	●	235,303
Parking and enforcement income	6,618	7,618	(1,000)	55,908	58,313	(2,405)	●	79,258
AT Metro income	8,175	7,393	782	60,484	58,199	2,285	●	78,931
Other revenue incl. other grants and subsidies	2,319	2,094	225	24,395	19,998	4,397	●	25,592
<b>Total operating income</b>	<b>56,789</b>	<b>59,673</b>	<b>(2,884)</b>	<b>504,883</b>	<b>504,929</b>	<b>(46)</b>	●	<b>668,839</b>
<b>Expenditure</b>								
Personnel costs	13,009	14,062	1,053	104,593	107,698	3,105	●	145,233
Capitalised personnel costs	(3,100)	(3,118)	(18)	(23,901)	(26,040)	(2,139)	●	(37,645)
Depreciation and amortisation	27,329	26,964	(365)	236,731	234,360	(2,371)	●	316,939
Other expenditure	44,912	49,793	4,881	376,948	384,522	7,574	●	526,916
Finance costs (Electric Trains)	2,537	2,526	(11)	22,117	22,070	(47)	●	29,553
<b>Total operating expenditure</b>	<b>84,687</b>	<b>90,227</b>	<b>5,540</b>	<b>716,488</b>	<b>722,610</b>	<b>6,122</b>	●	<b>980,996</b>
<b>Surplus/(deficit) from operations</b>	<b>(27,898)</b>	<b>(30,554)</b>	<b>2,656</b>	<b>(211,605)</b>	<b>(217,681)</b>	<b>6,076</b>	●	<b>(312,157)</b>
<u>Income for capital projects</u>								
NZ Transport Agency capital co-investment	14,506	15,809	(1,303)	100,505	113,621	(13,116)	●	154,036
Auckland Council capital grant	26,953	50,906	(23,953)	241,521	291,170	(49,649)	●	435,705
Other Capital Grants	173	-	173	173	-	173	●	8,000
Vested asset income	16,320	25,000	(8,680)	116,914	91,473	25,441	●	116,473
	57,952	91,715	(33,763)	459,113	496,264	(37,151)	●	714,214
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>30,054</b>	<b>61,161</b>	<b>(31,107)</b>	<b>247,508</b>	<b>278,583</b>	<b>(31,075)</b>	●	<b>402,057</b>
Gains/(losses) on derivatives	(400)	-	(400)	107	(193)	300		(193)
Profit/(loss) on disposal of assets	-	-	-	(893)	36	(929)		(722)
Income tax benefit/(expense)	-	-	-	198	-	198		-
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>29,654</b>	<b>61,161</b>	<b>(31,507)</b>	<b>246,920</b>	<b>278,426</b>	<b>(31,506)</b>	●	<b>401,142</b>

## Section 2b – Net surplus/(deficit) waterfall

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



## Section 2c – Summary of financial results by activity

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
<b>Operating Income</b>							
Rail	10,081	10,305	(224)	86,234	85,645	589	114,559
Bus	8,584	9,077	(493)	73,238	73,966	(728)	101,621
Ferry	1,230	1,217	13	9,505	9,943	(438)	13,433
Other public transport	2,584	2,735	(151)	20,518	20,886	(368)	28,479
Parking	3,981	4,620	(639)	33,347	34,668	(1,321)	47,170
Enforcement	2,638	2,998	(360)	22,561	23,646	(1,085)	32,088
Roading and footpaths	5,261	5,210	51	44,442	43,576	866	56,972
Internal support	1,618	2,699	(1,081)	27,722	25,284	2,438	24,762
Auckland Council operating funding	20,813	20,813	-	187,316	187,316	-	249,755
<b>Total operating income</b>	<b>56,790</b>	<b>59,674</b>	<b>(2,884)</b>	<b>504,883</b>	<b>504,930</b>	<b>(47)</b>	<b>668,839</b>
<b>Operating Expenditure</b>							
Rail	13,645	14,184	539	122,184	122,360	176	163,768
Bus	13,955	15,364	1,409	120,287	122,608	2,321	167,116
Ferry	1,498	1,785	287	12,499	13,606	1,107	18,109
Other public transport	3,650	4,387	737	30,043	31,007	964	44,104
Parking	1,089	1,120	31	9,827	9,685	(142)	13,062
Enforcement	1,819	1,946	127	15,045	15,478	433	20,617
Roading and footpaths	10,847	12,039	1,192	89,637	92,054	2,417	124,837
Internal support	10,854	12,438	1,584	80,237	81,452	1,215	112,444
Depreciation	27,329	26,964	(365)	236,731	234,360	(2,371)	316,939
<b>Total operating expenditure</b>	<b>84,686</b>	<b>90,227</b>	<b>5,541</b>	<b>716,490</b>	<b>722,610</b>	<b>6,120</b>	<b>980,996</b>
<b>Surplus/(deficit) from Operations</b>	<b>(27,896)</b>	<b>(30,553)</b>	<b>2,657</b>	<b>(211,607)</b>	<b>(217,680)</b>	<b>6,073</b>	<b>(312,157)</b>

## 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
<b>Operating Income</b>							
Activity Income	4,692	4,636	56	33,907	33,016	891	45,253
Other income	24	49	(25)	663	740	(77)	838
NZ Transport Agency operating funding	3,641	3,913	(272)	37,282	37,528	(246)	49,238
NZ Transport Agency operating funding - Electric Trains	1,724	1,707	17	14,382	14,361	21	19,230
<b>Total operating income</b>	<b>10,081</b>	<b>10,305</b>	<b>(224)</b>	<b>86,234</b>	<b>85,645</b>	<b>589</b>	<b>114,559</b>
<b>Operating Expenditure</b>							
Personnel costs	237	233	(4)	1,930	1,858	(72)	2,515
Capitalised personnel costs	(31)	(1)	30	(24)	(5)	19	-
Service delivery costs and professional services	8,026	8,724	698	74,699	74,943	244	99,345
Occupancy costs	410	283	(127)	2,399	2,309	(90)	3,143
Track access charges	1,729	1,805	76	14,520	14,725	205	20,749
Other expenditure	737	614	(123)	6,543	6,460	(83)	8,463
Finance costs (Electric Trains)	2,537	2,526	(11)	22,117	22,070	(47)	29,553
<b>Total operating expenditure</b>	<b>13,645</b>	<b>14,184</b>	<b>539</b>	<b>122,184</b>	<b>122,360</b>	<b>176</b>	<b>163,768</b>
Depreciation	3,434	3,231	(203)	30,614	28,854	(1,760)	38,597
<b>Surplus/(deficit) from Operations</b>	<b>(6,998)</b>	<b>(7,110)</b>	<b>112</b>	<b>(66,564)</b>	<b>(65,569)</b>	<b>(995)</b>	<b>(87,806)</b>
Internal support costs	3,073	3,349	276	18,645	20,139	1,494	31,021
<b>Surplus/(deficit)</b>	<b>(10,071)</b>	<b>(10,459)</b>	<b>388</b>	<b>(85,209)</b>	<b>(85,708)</b>	<b>499</b>	<b>(118,827)</b>

## 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
<b>Operating Income</b>							
Activity Income	1,788	1,478	310	12,397	11,811	586	16,166
Other income	155	97	58	3,247	3,136	111	3,957
NZ Transport Agency operating funding	6,641	7,502	(861)	57,594	59,019	(1,425)	81,498
<b>Total operating income</b>	<b>8,584</b>	<b>9,077</b>	<b>(493)</b>	<b>73,238</b>	<b>73,966</b>	<b>(728)</b>	<b>101,621</b>
<b>Operating Expenditure</b>							
Personnel costs	320	290	(30)	2,511	2,417	(94)	3,244
Capitalised personnel costs	(34)	5	39	(1)	84	85	100
Service delivery costs and professional services	13,621	14,919	1,298	116,412	118,726	2,314	161,966
Occupancy costs	(22)	88	110	728	833	105	1,097
Other expenditure	70	62	(8)	637	548	(89)	709
<b>Total operating expenditure</b>	<b>13,955</b>	<b>15,364</b>	<b>1,409</b>	<b>120,287</b>	<b>122,608</b>	<b>2,321</b>	<b>167,116</b>
Depreciation	264	269	5	2,161	2,159	(2)	2,978
<b>Surplus/(deficit) from Operations</b>	<b>(5,635)</b>	<b>(6,556)</b>	<b>921</b>	<b>(49,210)</b>	<b>(50,801)</b>	<b>1,591</b>	<b>(68,473)</b>
Internal support costs	3,142	3,424	282	19,061	20,589	1,528	31,714
<b>Surplus/(deficit)</b>	<b>(8,777)</b>	<b>(9,980)</b>	<b>1,203</b>	<b>(68,271)</b>	<b>(71,390)</b>	<b>3,119</b>	<b>(100,187)</b>

## 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
<b>Operating Income</b>							
Operator access fees	568	367	201	3,376	2,947	429	3,894
Activity Income	121	92	29	742	739	3	987
Other income	6	4	2	466	460	6	649
NZ Transport Agency operating funding	535	754	(219)	4,921	5,797	(876)	7,903
<b>Total operating income</b>	<b>1,230</b>	<b>1,217</b>	<b>13</b>	<b>9,505</b>	<b>9,943</b>	<b>(438)</b>	<b>13,433</b>
<b>Operating Expenditure</b>							
Personnel costs	99	98	(1)	802	813	11	1,090
Capitalised personnel costs	-	-	-	(2)	(4)	(2)	(5)
Service delivery costs and professional services	1,202	1,386	184	10,031	10,896	865	14,292
Occupancy costs	66	66	-	536	578	42	776
Other expenditure	131	235	104	1,132	1,323	191	1,956
<b>Total operating expenditure</b>	<b>1,498</b>	<b>1,785</b>	<b>287</b>	<b>12,499</b>	<b>13,606</b>	<b>1,107</b>	<b>18,109</b>
Depreciation	248	249	1	2,236	2,234	(2)	2,983
<b>Surplus/(deficit) from Operations</b>	<b>(516)</b>	<b>(817)</b>	<b>301</b>	<b>(5,230)</b>	<b>(5,897)</b>	<b>667</b>	<b>(7,659)</b>
Internal support costs	362	395	33	2,198	2,374	176	3,656
<b>Surplus/(deficit)</b>	<b>(878)</b>	<b>(1,212)</b>	<b>334</b>	<b>(7,428)</b>	<b>(8,271)</b>	<b>843</b>	<b>(11,315)</b>



## 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
<b>Operating Income</b>							
Other income	821	670	151	5,686	5,350	336	7,187
NZ Transport Agency operating funding	1,763	2,065	(302)	14,832	15,536	(704)	21,292
<b>Total operating income</b>	<b>2,584</b>	<b>2,735</b>	<b>(151)</b>	<b>20,518</b>	<b>20,886</b>	<b>(368)</b>	<b>28,479</b>
<b>Operating Expenditure</b>							
Personnel costs	1,166	1,245	79	9,232	9,610	378	13,129
Capitalised personnel costs	186	95	(91)	1,335	522	(813)	834
Service delivery costs and professional services	1,347	1,996	649	10,724	12,614	1,890	18,773
IT costs	122	222	100	1,565	1,877	312	2,491
Other expenditure	829	829	-	7,187	6,384	(803)	8,877
<b>Total operating expenditure</b>	<b>3,650</b>	<b>4,387</b>	<b>737</b>	<b>30,043</b>	<b>31,007</b>	<b>964</b>	<b>44,104</b>
Depreciation	1,231	1,572	341	11,339	12,352	1,013	17,479
<b>Surplus/(deficit) from Operations</b>	<b>(2,297)</b>	<b>(3,224)</b>	<b>927</b>	<b>(20,864)</b>	<b>(22,473)</b>	<b>1,609</b>	<b>(33,104)</b>
Internal support costs	884	963	79	5,362	5,792	430	8,921
<b>Surplus/(deficit)</b>	<b>(3,181)</b>	<b>(4,187)</b>	<b>1,006</b>	<b>(26,226)</b>	<b>(28,265)</b>	<b>2,039</b>	<b>(42,025)</b>

## 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
<b>Operating Income</b>							
Other income	74	268	(194)	910	1,140	(230)	1,487
Parking Fees	3,907	4,352	(445)	32,437	33,528	(1,091)	45,683
<b>Total operating income</b>	<b>3,981</b>	<b>4,620</b>	<b>(639)</b>	<b>33,347</b>	<b>34,668</b>	<b>(1,321)</b>	<b>47,170</b>
<b>Operating Expenditure</b>							
Personnel costs	279	287	8	2,523	2,317	(206)	3,113
Capitalised personnel costs	(7)	5	12	12	44	32	58
Service delivery costs and professional services	289	303	14	2,875	2,806	(69)	3,766
Occupancy Costs	485	476	(9)	3,986	4,080	94	5,506
Other expenditure	43	49	6	431	438	7	619
<b>Total operating expenditure</b>	<b>1,089</b>	<b>1,120</b>	<b>31</b>	<b>9,827</b>	<b>9,685</b>	<b>(142)</b>	<b>13,062</b>
Depreciation	567	562	(5)	5,060	4,997	(63)	6,701
<b>Surplus/(deficit) from Operations</b>	<b>2,325</b>	<b>2,938</b>	<b>(613)</b>	<b>18,460</b>	<b>19,986</b>	<b>(1,526)</b>	<b>27,407</b>
Internal support costs	257	280	23	1,560	1,685	125	2,596
<b>Surplus/(deficit)</b>	<b>2,068</b>	<b>2,658</b>	<b>(590)</b>	<b>16,900</b>	<b>18,301</b>	<b>(1,401)</b>	<b>24,811</b>

## 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
<b>Operating Income</b>							
Other income	-	86	(86)	-	257	(257)	515
Infringement income	2,638	2,912	(274)	22,561	23,389	(828)	31,573
<b>Total operating income</b>	<b>2,638</b>	<b>2,998</b>	<b>(360)</b>	<b>22,561</b>	<b>23,646</b>	<b>(1,085)</b>	<b>32,088</b>
<b>Operating Expenditure</b>							
Personnel costs	914	939	25	7,937	7,995	58	10,734
Capitalised personnel costs	5	2	(3)	31	16	(15)	22
Service delivery costs and professional services	222	157	(65)	1,389	1,225	(164)	1,713
Occupancy Costs	-	-	-	-	-	-	-
Other expenditure	678	848	170	5,688	6,242	554	8,148
<b>Total operating expenditure</b>	<b>1,819</b>	<b>1,946</b>	<b>127</b>	<b>15,045</b>	<b>15,478</b>	<b>433</b>	<b>20,617</b>
Depreciation	9	10	1	79	82	3	115
<b>Surplus/(deficit) from Operations</b>	<b>810</b>	<b>1,042</b>	<b>(232)</b>	<b>7,437</b>	<b>8,086</b>	<b>(649)</b>	<b>11,356</b>
Internal support costs	401	437	36	2,431	2,626	195	4,045
<b>Surplus/(deficit)</b>	<b>409</b>	<b>605</b>	<b>(196)</b>	<b>5,006</b>	<b>5,460</b>	<b>(454)</b>	<b>7,311</b>

## 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
<b>Operating Income</b>							
Petrol tax	725	727	(2)	6,677	6,557	120	8,737
Other income	316	343	(27)	4,156	3,832	324	4,760
NZ Transport Agency operating funding	4,220	4,140	80	33,609	33,187	422	43,475
<b>Total operating income</b>	<b>5,261</b>	<b>5,210</b>	<b>51</b>	<b>44,442</b>	<b>43,576</b>	<b>866</b>	<b>56,972</b>
<b>Operating Expenditure</b>							
Personnel costs	2,642	2,700	58	21,232	21,053	(179)	28,487
Capitalised personnel costs	(595)	(548)	47	(5,191)	(4,480)	711	(8,259)
Service delivery costs and professional services	7,623	8,054	431	58,378	60,194	1,816	83,152
Occupancy Costs	659	1,292	633	10,689	10,972	283	15,075
IT Costs	15	82	67	206	517	311	825
Other expenditure	503	459	(44)	4,323	3,798	(525)	5,557
<b>Total operating expenditure</b>	<b>10,847</b>	<b>12,039</b>	<b>1,192</b>	<b>89,637</b>	<b>92,054</b>	<b>2,417</b>	<b>124,837</b>
Depreciation	20,342	19,400	(942)	174,049	171,253	(2,796)	230,103
<b>Surplus/(deficit) from Operations</b>	<b>(25,928)</b>	<b>(26,229)</b>	<b>301</b>	<b>(219,244)</b>	<b>(219,731)</b>	<b>487</b>	<b>(297,968)</b>
Internal support costs	2,349	2,560	211	14,251	15,393	1,142	23,711
<b>Surplus/(deficit)</b>	<b>(28,277)</b>	<b>(28,789)</b>	<b>512</b>	<b>(233,495)</b>	<b>(235,124)</b>	<b>1,629</b>	<b>(321,679)</b>

## 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
<b>Operating Income</b>							
Rental income	1,203	837	366	11,983	8,400	3,583	10,646
Other income	74	187	(113)	1,579	1,208	371	1,449
NZ Transport Agency operating funding	341	1,675	(1,334)	14,160	15,676	(1,516)	12,667
<b>Total operating income</b>	<b>1,618</b>	<b>2,699</b>	<b>(1,081)</b>	<b>27,722</b>	<b>25,284</b>	<b>2,438</b>	<b>24,762</b>
<b>Operating Expenditure</b>							
Personnel costs	7,352	8,270	918	58,427	61,635	3,208	82,921
Capitalised personnel costs	(2,625)	(2,676)	(51)	(20,061)	(22,217)	(2,156)	(30,395)
Directors Fees	42	43	1	382	457	75	585
Service delivery costs and professional services	2,415	4,431	2,016	17,288	21,181	3,893	32,147
Other expenditure	3,670	2,370	(1,300)	24,201	20,396	(3,805)	27,186
<b>Total operating expenditure</b>	<b>10,854</b>	<b>12,438</b>	<b>1,584</b>	<b>80,237</b>	<b>81,452</b>	<b>1,215</b>	<b>112,444</b>
Depreciation	1,233	1,670	437	11,191	12,430	1,239	17,984
Income tax benefit/(expense)	-	-	-	198	-	(198)	-
<b>Surplus/(deficit) from Operations</b>	<b>(10,469)</b>	<b>(11,409)</b>	<b>940</b>	<b>(63,508)</b>	<b>(68,598)</b>	<b>5,090</b>	<b>(105,666)</b>
Internal support allocated	10,469	11,409	940	63,508	68,598	5,090	105,666
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

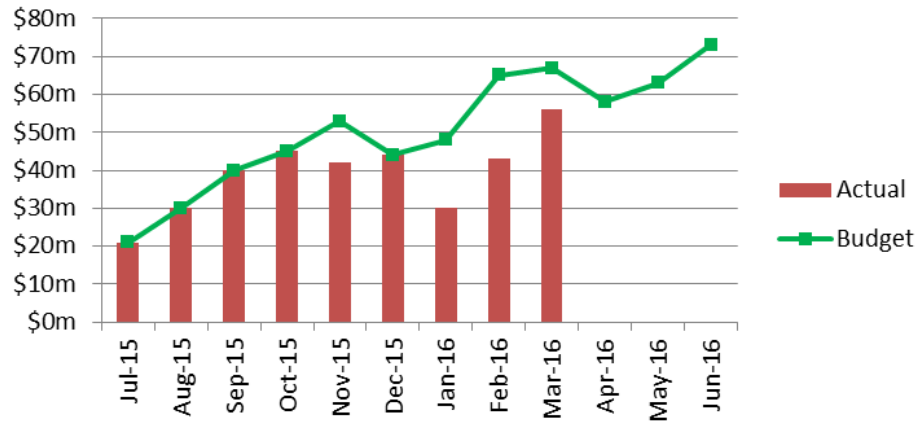
## Section 3a – Summary of Capital Expenditure

	Current month			Year to date			Results achieved	Full year Budget \$000
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000		
<b>Land</b>								
CRL	485	4,316	3,831	10,938	11,229	291	●	30,063
AMETI	33	3,430	3,397	(1,113)	2,474	3,587	●	3,994
Special Housing Areas (SHAs)	-	4	4	12	18	6	●	5,228
Other	1,775	1,180	(595)	6,380	17,518	11,138	●	33,251
<b>Total land</b>	<b>2,293</b>	<b>8,930</b>	<b>6,637</b>	<b>16,217</b>	<b>31,239</b>	<b>15,022</b>	●	<b>72,536</b>
<b>Major new capital projects</b>								
CRL	8,487	4,067	(4,420)	40,054	34,989	(5,065)	●	49,822
Albany Highway Upgrade	2,040	1,582	(458)	22,283	21,355	(928)	●	25,609
Otahuhu Bus Interchange	1,513	1,760	247	7,071	9,305	2,234	●	16,975
Te Atatu Road Corridor Improvements	765	1,356	591	6,144	8,529	2,385	●	12,531
NorthWest Trasformation	721	264	(457)	8,793	8,572	(221)	●	11,165
AMETI	(4,173)	1,099	5,272	(1,085)	6,332	7,417	●	8,944
Manukau Bus Interchange	504	1,061	557	1,504	2,591	1,087	●	4,935
<b>Total major new capital projects</b>	<b>9,857</b>	<b>11,189</b>	<b>1,332</b>	<b>84,764</b>	<b>91,673</b>	<b>6,909</b>	●	<b>129,981</b>
<b>Other ring-fenced projects</b>								
EMU	13,717	769	(12,948)	27,659	16,292	(11,367)	●	21,298
Local Board initiatives	1,110	3,807	2,697	7,506	13,828	6,322	●	22,984
Special Housing Areas (SHAs)	62	93	31	762	613	(149)	●	3,140
Other	188	754	566	3,331	4,465	1,134	●	6,549
<b>Total other ring-fenced projects</b>	<b>15,077</b>	<b>5,423</b>	<b>(9,654)</b>	<b>39,258</b>	<b>35,198</b>	<b>(4,060)</b>	●	<b>53,971</b>
<b>Other</b>								
Roads and footpaths	4,769	11,659	6,890	44,555	54,290	9,735	●	88,990
AT Metro	1,966	3,217	1,251	19,307	25,100	5,793	●	46,214
Parking operations	253	915	662	1,103	3,309	2,206	●	5,361
Internal support - BT	691	1,676	985	4,355	7,384	3,029	●	9,302
Internal support - Accomodation	49	-	(49)	332	297	(35)	●	297
Internal support - Other	44	524	480	800	1,225	425	●	2,977
<b>Total other</b>	<b>7,772</b>	<b>17,991</b>	<b>10,219</b>	<b>70,452</b>	<b>91,605</b>	<b>21,153</b>	●	<b>153,141</b>
<b>Renewals</b>	<b>21,038</b>	<b>23,181</b>	<b>2,143</b>	<b>141,508</b>	<b>165,075</b>	<b>23,567</b>	●	<b>198,111</b>
<b>Total direct capital</b>	<b>56,037</b>	<b>66,714</b>	<b>10,677</b>	<b>352,199</b>	<b>414,790</b>	<b>62,591</b>	●	<b>607,740</b>

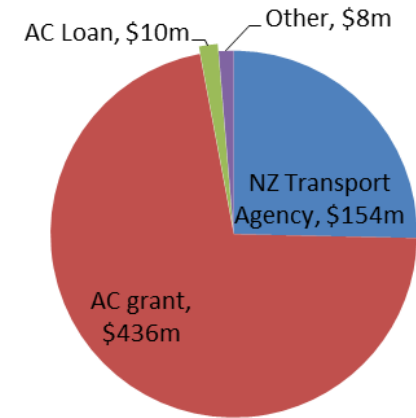
## Section 3b – Capital Expenditure Funding

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Funding</b>							
NZ Transport Agency new capital co-investment	6,678	11,750	(5,072)	39,926	55,357	(15,431)	90,777
NZ Transport Agency renewal co-investment	7,829	4,059	3,770	60,579	58,264	2,315	63,258
Other Capital Grants	173	-	173	173	-	173	8,000
Auckland Council capital grant	41,358	50,906	(9,548)	241,520	291,168	(49,648)	435,705
Auckland Council loan (EMU)	-	-	-	10,000	10,000	-	10,000
<b>Total direct capital funding</b>	<b>56,038</b>	<b>66,715</b>	<b>(10,677)</b>	<b>352,198</b>	<b>414,789</b>	<b>(62,591)</b>	<b>607,740</b>

### Capital expenditure - per month (excluding vested assets)



### Funding split - full year budget





## Section 4a – Statement of Financial Position

### As at 31 March 2016

	Note	Actual 31 March 2016 \$000	Actual 29 February 2016 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	5,372	6,209
Trade and other receivables	2	236,562	225,874
Inventories		9,740	6,864
Other assets		18,613	9,578
Non-current asset held for sale		4,400	4,400
Derivative financial instruments	3	-	373
<b>Total current assets</b>		<b>274,687</b>	<b>253,298</b>
<b>Non-current assets</b>			
Property, plant and equipment		16,250,716	16,225,414
Property, plant and equipment - work-in-progress		494,373	477,450
Intangible assets		115,905	115,740
<b>Total non-current assets</b>		<b>16,860,994</b>	<b>16,818,604</b>
<b>Total assets</b>		<b>17,135,681</b>	<b>17,071,902</b>

## Section 4a – Statement of Financial Position

### As at 31 March 2016

	Note	Actual 31 March 2016 \$000	Actual 29 February 2016 \$000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	3	102	-
Trade and other payables	4	172,955	135,195
Employee benefit liabilities	5	10,276	13,397
Borrowings	6	5,155	5,061
<b>Total current liabilities</b>		<b>188,488</b>	<b>153,653</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	3	3,185	3,012
Trade and other payables	4	20,654	20,903
Employee benefit liabilities	5	675	675
Borrowings	6	491,987	492,624
Deferred tax liability	7	11,467	11,467
<b>Total non-current liabilities</b>		<b>527,968</b>	<b>528,681</b>
<b>Total liabilities</b>		<b>716,456</b>	<b>682,334</b>
<b>Net assets</b>		<b>16,419,225</b>	<b>16,389,568</b>
<b>Equity</b>			
Contributed equity		13,460,223	13,460,223
Retained earnings/(losses)		850,306	820,649
Reserves		2,108,696	2,108,696
<b>Total equity</b>		<b>16,419,225</b>	<b>16,389,568</b>

## Section 4b – Notes to the Financial Statements

### As at 31 March 2016

	Actual 31 March 2016 \$000	Actual 29 February 2016 \$000
<b>1 Cash and cash equivalents</b>		
Cash at bank - Trading	5,097	5,934
Till floats	275	275
<b>Total cash and cash equivalents</b>	<b>5,372</b>	<b>6,209</b>
The carrying value of cash and cash equivalents approximates their fair value.		
<b>2 Trade and other receivables</b>		
Trade debtors	2,889	5,313
Finance lease receivable	63	65
Infringements receivable	31,744	31,522
Amounts due from related parties	180,290	170,962
Accrued income	34,943	32,665
Goods and services tax	-	-
	<b>249,929</b>	<b>240,527</b>
Less provision for impairment of receivables	(13,367)	(14,653)
<b>Total trade and other receivables</b>	<b>236,562</b>	<b>225,874</b>

## Section 4b – Notes to the Financial Statements

### As at 31 March 2016

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 reporting date is the carrying value of each class of receivable mentioned above.

The ageing profile of receivables at 31 March 2016 is detailed below:

	<b>Gross</b>	<b>Impaired</b>	<b>Net</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Not past due	219,200	-	219,200
Past due 1 - 30 days	2,267	-	2,267
Past due 31 - 60 days	1,216	-	1,216
Past due 61 - 90 days	732	-	732
Past due > 90 days	26,514	(13,367)	13,147
	<b>249,929</b>	<b>(13,367)</b>	<b>236,562</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</b>
	<b>\$000</b>
At 1 July 2015	14,118
Additional provisions made	1,116
Provisions reversed	(92)
Receivables written-off	(1,775)
At 31 March 2016	13,367

## Section 4b – Notes to the Financial Statements

### As at 31 March 2016

	Actual 31 March 2016 \$000	Actual 29 February 2016 \$000
<b>3 Derivative financial instruments</b>		
<b>Current asset portion</b>		
Forward foreign exchange contracts - cash flow hedges		373
Current derivative financial instruments	-	<b>373</b>
<b>Total derivative financial instrument assets</b>	-	<b>373</b>
<b>Current liability portion</b>		
Forward foreign exchange contracts - cash flow hedges	102	-
Current derivative financial instruments	<b>102</b>	-
<b>Non-current liability portion</b>		
Interest rate swaps - cash flow hedges	3,185	3,012
Non-current derivative financial instruments	<b>3,185</b>	<b>3,012</b>
<b>Total derivative financial instrument liabilities</b>	<b>3,287</b>	<b>3,012</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 - hedge accounted*

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$8.9m. The foreign currency principal amount was USD \$6m. The cash flow hedge loss of \$102K on the revaluation has been recorded in the Statement of Financial Performance.

#### 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 \$18m. At 31 March 2016 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.55% to 5.58%. The gain on their revaluation of \$411K has been recorded in the Statement of Financial Performance.

## Section 4b – Notes to the Financial Statements

### As at 31 March 2016

	Actual 31 March 2016 \$000	Actual 29 February 2016 \$000
<b>4 Trade and other payables</b>		
<b>Current portion</b>		
Creditors	32,747	8,417
Goods and services tax	1,343	884
Accrued expenses	124,232	111,639
Retentions	8,526	8,410
Amounts due to related parties	5,301	4,995
Income in advance	806	850
<b>Total current trade and other payables</b>	<b>172,955</b>	<b>135,195</b>
<b>Non-current portion</b>		
Amounts due to related parties	20,654	20,903
<b>Total non-current trade and other payables</b>	<b>20,654</b>	<b>20,903</b>
<p>Creditors and other payables are non-interest bearing and are normally settled on 20-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.</p>		
<b>5 Employee benefit liabilities</b>		
<b>Current portion</b>		
Accrued salaries and wages	1,985	5,473
Accrued leave	8,291	7,924
<b>Current employee benefit liabilities</b>	<b>10,276</b>	<b>13,397</b>
<b>Non-current portion</b>		
Retirement gratuities	383	383
Long service leave	292	292
<b>Non-current employee benefit liabilities</b>	<b>675</b>	<b>675</b>

## Section 4b – Notes to the Financial Statements

### As at 31 March 2016

	Actual 31 March 2016 \$000	Actual 29 February 2016 \$000
<b>6 Borrowings</b>		
<b>Current portion</b>		
Loans from Auckland Council	5,155	5,060
Finance Leases	-	1
<b>Current borrowings</b>	<b>5,155</b>	<b>5,061</b>
<b>Non-current portion</b>		
Loans from Auckland Council	491,987	492,624
<b>Non-current borrowings</b>	<b>491,987</b>	<b>492,624</b>
Weighted average cost of funds on total borrowings	6.01%	6.01%

Auckland Transport's loan debt of \$497m is issued at fixed rates of interest ranging from 5.55% to 6.22%. The interest rate on finance leases is 3%.

#### 7 Deferred tax liability

	Property, Plant and Equipment \$000	Other Provisions \$000	Tax Losses \$000	Actual 31 March 2016 Total \$000
<b>Deferred tax liability</b>				
Balance at 1 July 2015	(11,665)	-	-	(11,665)
Charged to profit and loss	198	-	-	198
Charged to equity	-	-	-	-
<b>Balance at 31 March 2016</b>	<b>(11,467)</b>	<b>-</b>	<b>-</b>	<b>(11,467)</b>

## Section 5a – Cash Flow

### Statement of Cash Flows for the nine months ended 31 March 2016

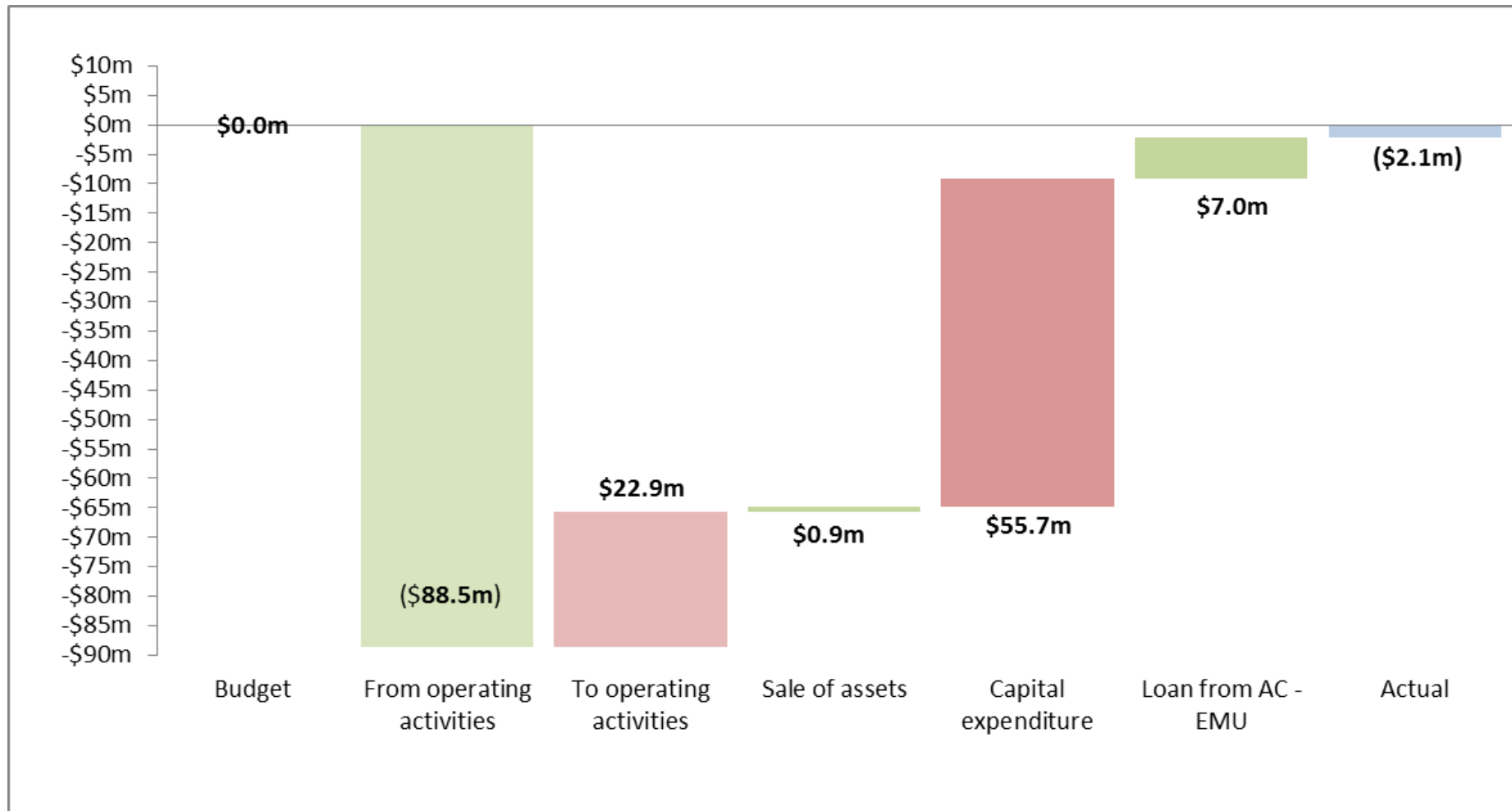
	Year to date		Full year
	Actual \$000	Revised Budget \$000	Revised Budget \$000
<b>Cash flows from operating activities</b>			
<b>Total cash provided</b>	850,194	938,720	1,257,855
<b>Cash applied to:</b>			
Payments to suppliers, employees and directors	458,633	479,311	633,848
Interest paid	19,900	22,070	29,553
<b>Total cash applied</b>	<b>478,533</b>	<b>501,381</b>	<b>663,401</b>
<b>Net cash from operating activities</b>	<b>371,661</b>	<b>437,339</b>	<b>594,454</b>
<b>Cash flows from investing activities</b>			
<b>Cash provided from:</b>			
Sale of property, plant and equipment	916	-	-
<b>Total cash provided</b>	<b>916</b>	<b>-</b>	<b>-</b>
<b>Cash applied to:</b>			
Capital expenditure projects	388,113	443,790	607,740
<b>Total cash applied</b>	<b>388,113</b>	<b>443,790</b>	<b>607,740</b>
<b>Net cash from investing activities</b>	<b>(387,197)</b>	<b>(443,790)</b>	<b>(607,740)</b>
<b>Cash flows from financing activities</b>			
<b>Cash provided from:</b>			
Loan from Auckland Council - EMU	17,000	10,000	10,000
Other Capital Grants	-	-	8,000
<b>Total cash provided</b>	<b>17,000</b>	<b>10,000</b>	<b>18,000</b>
<b>Cash applied to:</b>			
Repayments of EMU loan from Auckland Council	3,565	3,532	4,691
Repayments of finance lease principal	23	17	23
<b>Total cash applied</b>	<b>3,588</b>	<b>3,549</b>	<b>4,714</b>
<b>Net cash from financing activities</b>	<b>13,412</b>	<b>6,451</b>	<b>13,286</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,124)</b>	<b>-</b>	<b>-</b>
Opening cash balance	7,496	-	-
<b>Closing cash balance</b>	<b>5,372</b>	<b>-</b>	<b>-</b>

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
	Actual \$000
<b>Surplus/(deficit) after tax</b>	<b>246,920</b>
<b>Add/(less) non cash items</b>	
Depreciation and amortisation	236,731
Vested assets	(116,914)
Loss on disposal of property, plant and equipment	893
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	102
Loss on interest rate swaps	(411)
Income tax	(198)
	<b>120,203</b>
<b>Add/(less) movements in working capital</b>	
Decrease/(Increase) in debtors and other receivables	(15,845)
Decrease/(Increase) in inventories	(7,188)
(Decrease)/Increase in creditors and other payables	29,204
(Decrease)/Increase in employee benefits payable	(1,633)
	<b>4,538</b>
<b>Net cash flow from operating activities</b>	<b>371,661</b>



## Section 5b – Cash Flow Waterfall

Cash flow – Year to date budget to actual



## Section 6 – Accounts Receivable Report

### Accounts Receivable

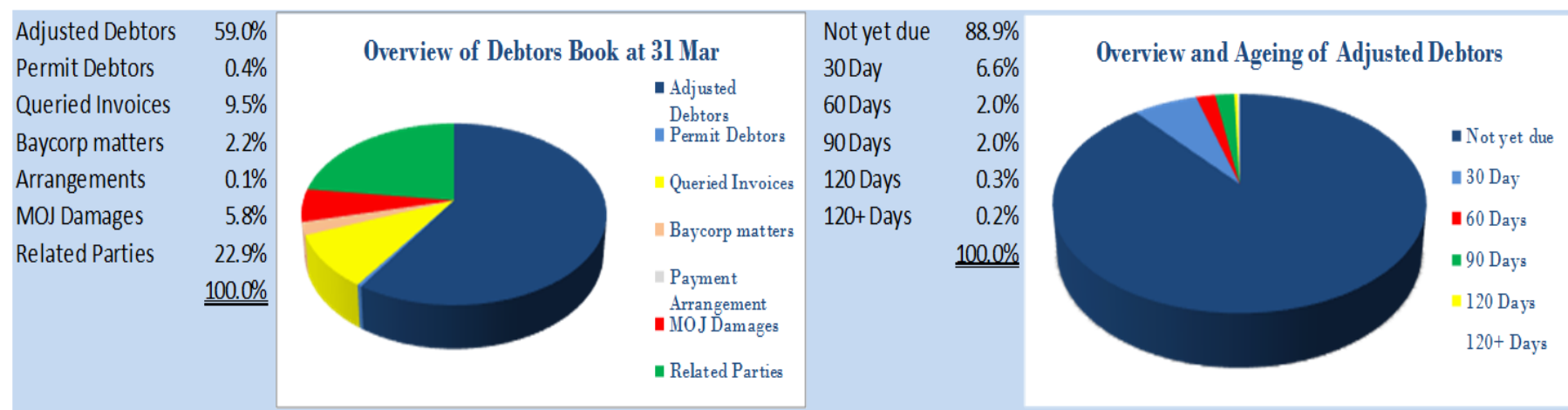
An overview of the Debtors as at 31 March has 97.5% (97.1% February) of adjusted Debtors in 30 and 60 days, or not yet due.

<u>Debtors Ageing Analysis as at 31 March 2016</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 Mar	162	3,738,147	2,189,560	703,217	153,689	74,186	144,482	473,013	1
Parking Permit Debtors	23	15,698	0	8,192	2,676	735	4,095	0	2
<b>Total Debtors</b>		<b>3,753,845</b>	<b>2,189,560</b>	<b>711,409</b>	<b>156,365</b>	<b>74,921</b>	<b>148,577</b>	<b>473,013</b>	
		100.0%	58.3%	19.0%	4.2%	2.0%	4.0%	12.6%	
O/s Related Parties	37	864,577	198,744	553,021	7,035	2,174	86,992	16,611	3
<b>Trade Debtors</b>	<b>154</b>	<b>2,889,269</b>	<b>1,990,816</b>	<b>158,388</b>	<b>149,330</b>	<b>72,747</b>	<b>61,586</b>	<b>456,402</b>	
		100.0%	68.9%	5.5%	5.2%	2.5%	2.1%	15.8%	
Queried Invoices	175	359,618	2,789	10,372	103,936	19,878	47,448	175,196	4
To Baycorp (Collection)	258	81,145	130	0	0	1,080	453	79,482	5
Payment Arrangement	131	3,671	0	0	0	0	0	3,671	6
Lodged Courts (Damages)	276	219,965	9,604	1,343	1,209	8,216	6,003	193,590	7
<b>Adjusted Debtors</b>		<b>2,224,869</b>	<b>1,978,293</b>	<b>146,673</b>	<b>44,185</b>	<b>43,573</b>	<b>7,682</b>	<b>4,463</b>	
		100.0%	88.9%	6.6%	2.0%	2.0%	0.3%	0.2%	

**Notes relating to the Debtors Ageing Analysis:**

- 1 - Sundry Debtors administered in the SAP system.
- 2 - Parking Permit Debtors administered in the Pathway system. These invoices are for on street permits issued. Amounts not collected within 60 days are lodged with Baycorp for collection. Accounts not paying on time are blocked for further permits.
- 3 - Inter-Council Group debts.
- 4 - Relates to invoices which have been queried or disputed by customers. The AR Team and various AT Departments are engaged in an effort to resolve these queries.
- 5 - Relates to 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.
- 6 - Relates to customers where an arrangement to pay has been agreed to. These are monitored until full payment has been received.
- 7 - 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.

Note: The Telco queries have now been resolved and no longer appear on this report.

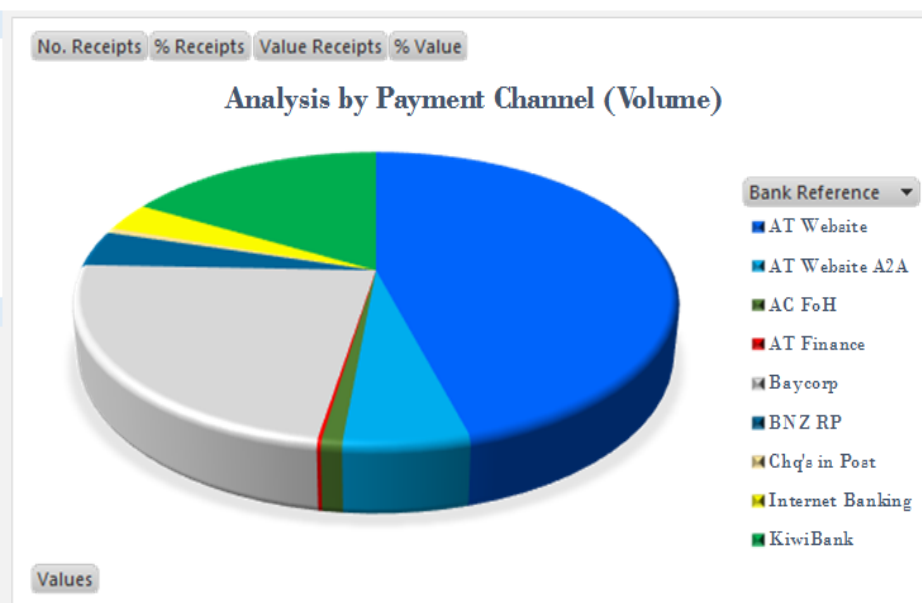


### Infringement Overview:

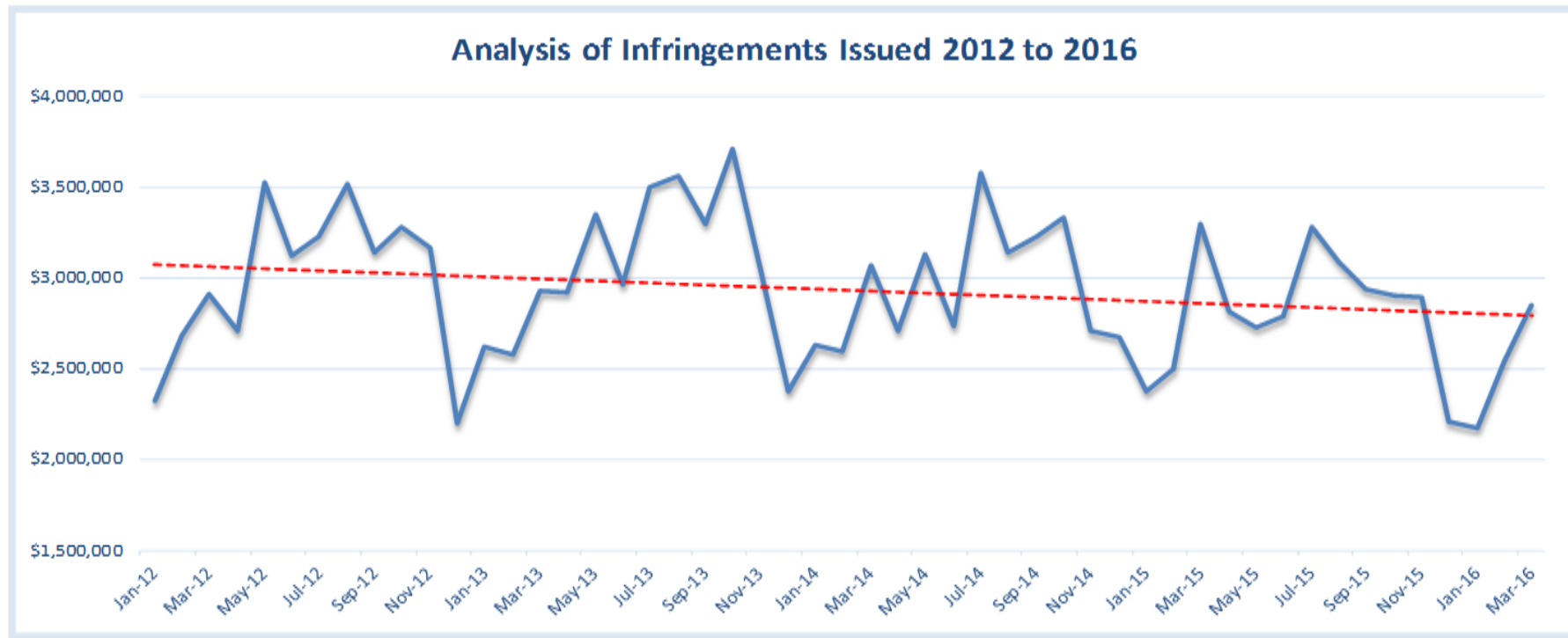
March's Infringement receipts by volume are down 1.8% on February (21 working days in March compared with 19 in February). Of the customers not paying in response to a Baycorp demand, 71.0% are making use of our electronic payment methods (69.8% in February). The AT website recorded (credit cards and A2A) 51.5% of all receipts. The highest average receipt by value was once again received through AC FoH and via cheque payments in the post.

Row Labels	No. Receipts	%Receipts	Value Receipts	%Value	Ave Receipt
AT Website	10,992	45.8%	\$640,542.50	44.3%	\$58.27
AT Website A2A	1,368	5.7%	\$82,244.20	5.7%	\$60.12
AC FoH	227	0.9%	\$20,457.70	1.4%	\$90.12
AT Finance	43	0.2%	\$4,343.00	0.3%	\$101.00
Baycorp	5,527	23.0%	\$349,755.45	24.2%	\$63.28
BNZ RP	946	3.9%	\$60,643.20	4.2%	\$64.10
Chq's in Post	139	0.6%	\$12,822.10	0.9%	\$92.25
Internet Banking	758	3.2%	\$39,503.35	2.7%	\$52.12
KiwiBank	4,008	16.7%	\$234,969.70	16.3%	\$58.63
<b>Grand Total</b>	<b>24,008</b>	<b>100.0%</b>	<b>\$1,445,281.20</b>	<b>100.0%</b>	<b>\$60.20</b>

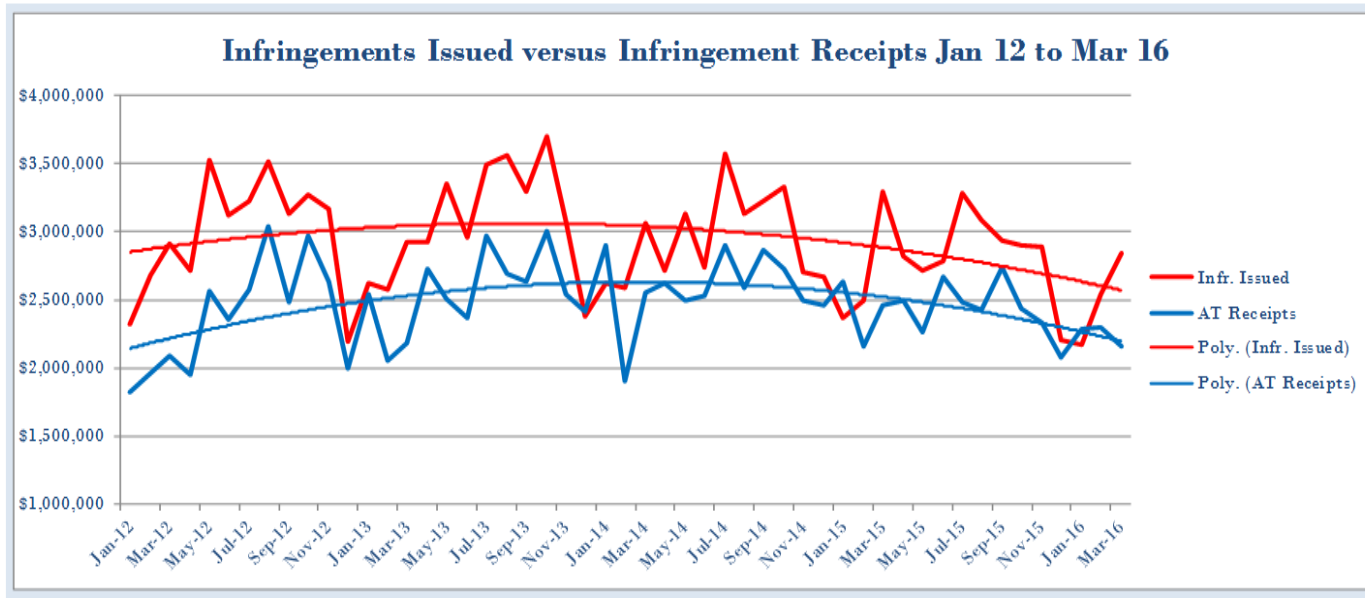
Working days February -> 19  
 Ave receipts / day Feb. -> 1,287  
 Working days March -> 21  
 Ave receipts / day Mar. -> 1,143  
 Other influencing factors -> Easter / 2 short weeks



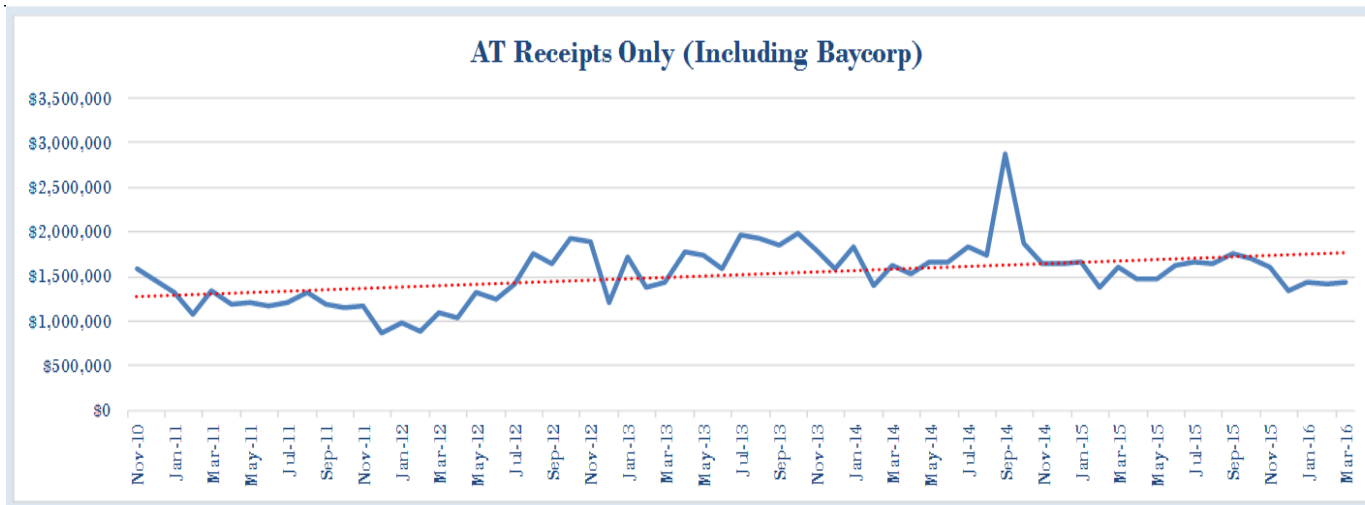
The following graph illustrates the seasonal issuance of infringements. Infringements issued in 2012 calendar year totalled \$35.8m, 2013 \$36.8M, 2014 \$35.5m and the issued total for 2015 is \$33.8m. Issuance for 2016 ytd is around \$200k per month down on the past 4 years.



Analysis of receipts by value show that infringements issued over the past 24 months have decreased. While collections follow the issue trend two to three months later, the collection lines over time continue to move closer as a result of improved collection rates. The infringements issued and receipts drop in December and January is a direct result of the time of year and the closed period between Christmas and New Year. March collections are down slightly due to lower than normal collections from MoJ. Infringements are handed to Baycorp on day 63 and remain with them for 87 days.



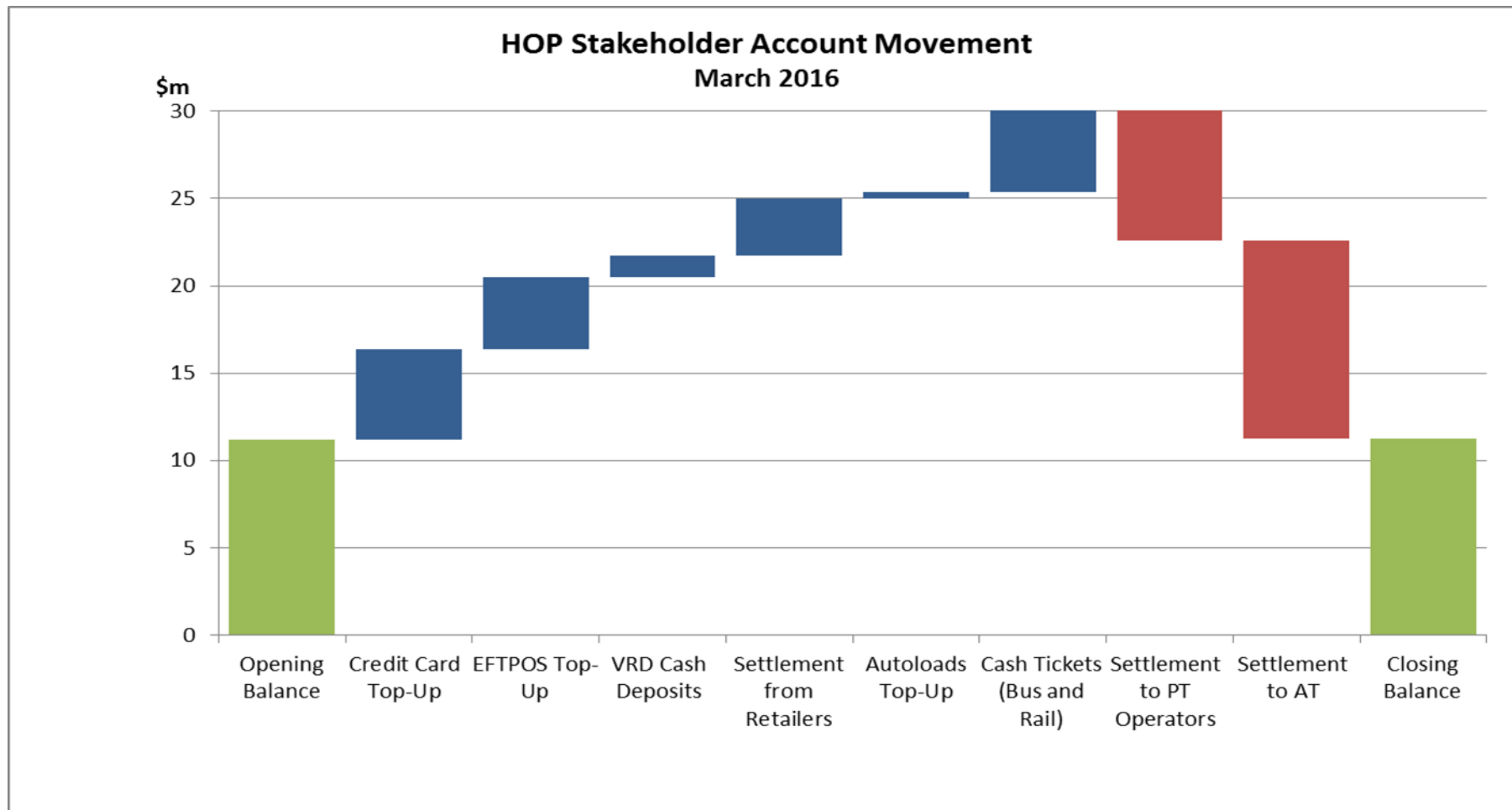
Direct receipts prior to lodging with MoJ continue to show an upward trend as a result of the Baycorp arrangement.



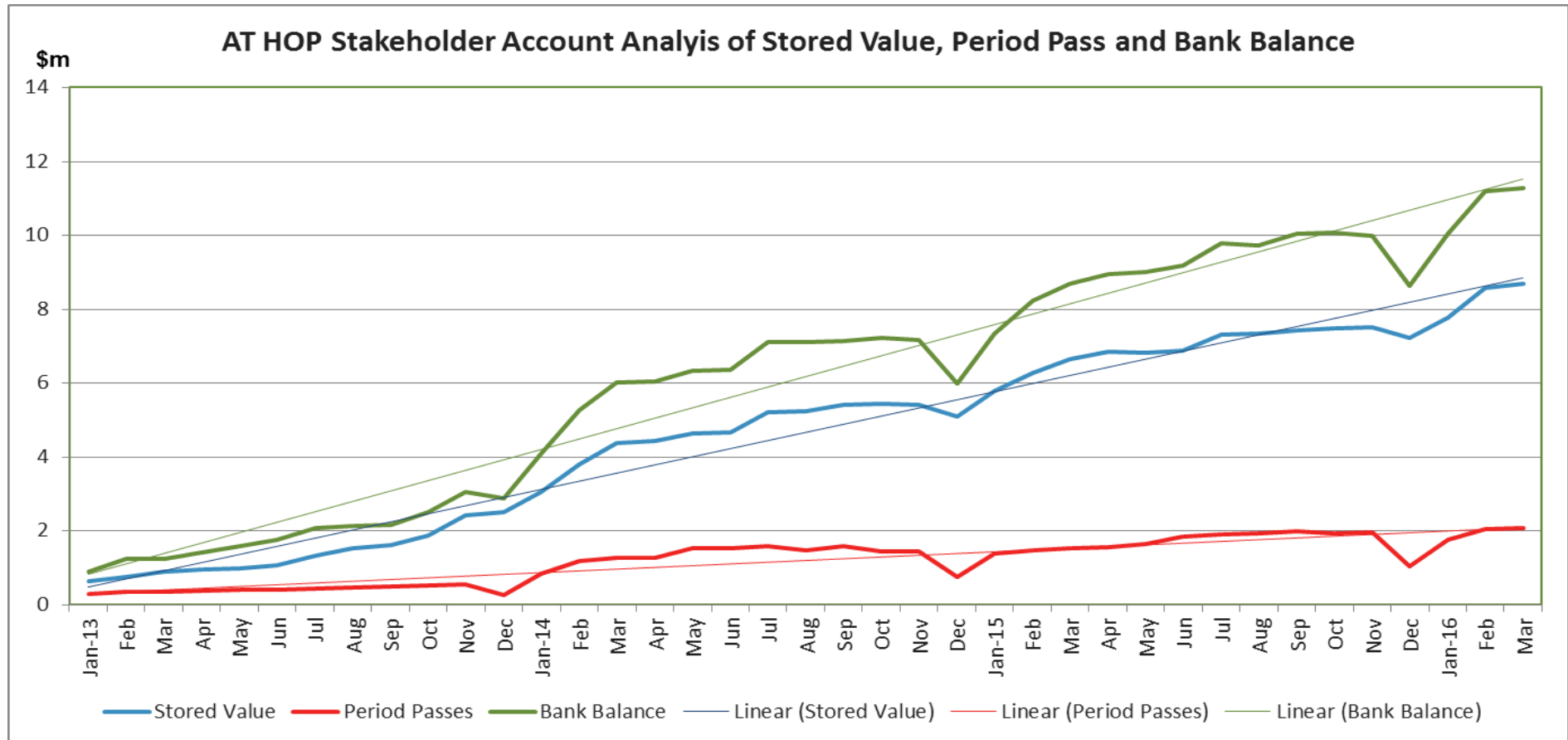
## Section 7 – AT HOP Stakeholder Monthly Report

(Does not form part of AT results)

The AT HOP Stakeholder bank account finished off this month at \$11.2 million, which is 0.9% higher than the previous month's \$11.1 million.







The following graph provides an overview of monthly balances for Stored Value, Period Passes, and the AT HOP Stakeholder Account together with trend lines.





## Document ownership

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