

# Financial Results for the Eleven Months Ended 31 May 2015

## Recommendation

That the Board:

- i. Receives the report.

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## Executive Summary

### Financial Results for the eleven months ended 31 May 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	35.7	41.6	↑ ●	618.0	576.4	627.2
Total operating expenditure	(1.0)	(1.2)	↔ ●	836.0	834.7	916.7
Surplus/(deficit) from operations	34.7	40.4	↑ ●	(217.9)	(258.3)	(289.5)
Income for capital projects	54.7	80.1	↑ ●	403.8	323.7	359.4
Net surplus/(deficit) before tax	89.5	120.5	↑ ●	185.9	65.4	69.9
Total direct capital	(9.7)	41.6	↓ ●	638.2	679.8	751.1

#### 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 eleven months ended 31 May 2015

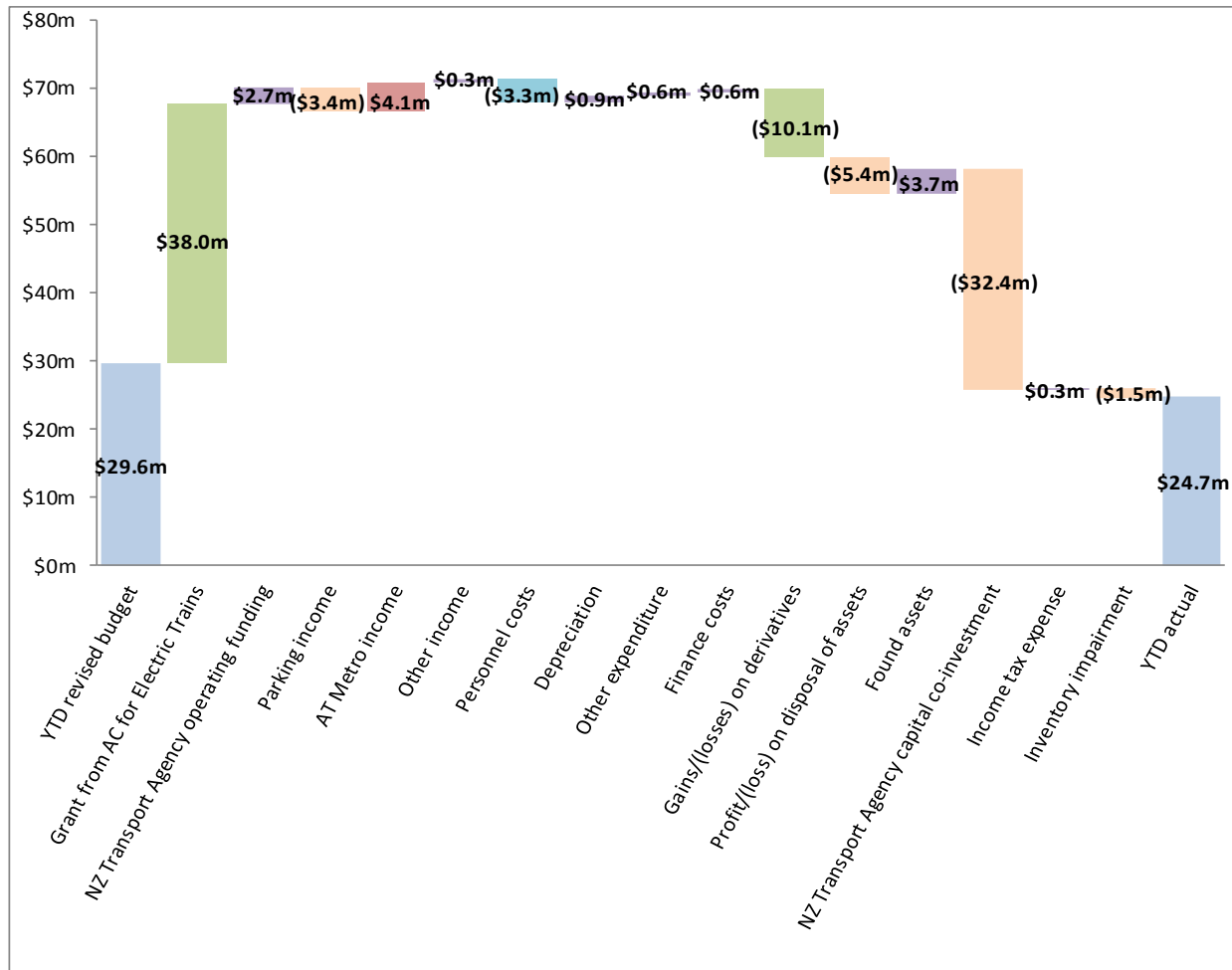
	Current month			Year to date			Results achieved	Full year Revised Budget \$000
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000		
<b>Income</b>								
<u>Operating income</u>								
Auckland Council funding	19,632	19,632	-	215,951	215,951	-	●	235,583
Grant from Auckland Council for Electric Trains	38,000	-	38,000	38,000	-	38,000	●	-
NZ Transport Agency operating funding	18,936	21,189	(2,253)	208,918	206,271	2,647	●	223,242
Parking and enforcement income	7,054	7,048	6	68,152	71,554	(3,402)	●	78,008
AT Metro income	6,101	5,793	308	62,633	58,546	4,087	●	64,396
Other revenue including other grants and subsidies	1,787	2,126	(339)	24,395	24,093	302	●	25,968
<b>Total operating income</b>	<b>91,510</b>	<b>55,788</b>	<b>35,722</b>	<b>618,049</b>	<b>576,415</b>	<b>41,634</b>	●	<b>627,197</b>
<b>Expenditure</b>								
Personnel costs	11,094	10,909	(185)	116,732	115,752	(980)	●	127,190
Capitalised personnel costs	(2,886)	(2,592)	294	(27,077)	(29,428)	(2,351)	●	(31,821)
Depreciation and amortisation expense *	25,337	24,849	(488)	267,259	268,171	912	●	293,020
Other expenses	43,683	42,874	(809)	455,665	456,303	638	●	501,612
Finance costs (Electric Trains)	2,574	2,768	194	23,372	23,926	554	●	26,706
<b>Total operating expenditure</b>	<b>79,802</b>	<b>78,808</b>	<b>(994)</b>	<b>835,951</b>	<b>834,724</b>	<b>(1,227)</b>	●	<b>916,707</b>
<b>Surplus/(deficit) from operations</b>	<b>11,708</b>	<b>(23,020)</b>	<b>34,728</b>	<b>(217,902)</b>	<b>(258,309)</b>	<b>40,407</b>	●	<b>(289,510)</b>
<u>Income for capital projects</u>								
NZ Transport Agency capital co-investment	13,038	14,667	(1,629)	125,003	157,429	(32,426)	●	181,918
Auckland Council capital grant	11,208	11,208	-	123,293	123,293	-	●	134,501
Other capital grants	-	-	-	-	-	-	●	-
Vested asset income	56,374	-	56,374	155,499	43,003	112,496	●	43,003
	80,620	25,875	54,745	403,795	323,725	80,070	●	359,422
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>92,328</b>	<b>2,855</b>	<b>89,473</b>	<b>185,893</b>	<b>65,416</b>	<b>120,477</b>	●	<b>69,912</b>
Gains/(losses) on derivatives	246	128	118	(11,547)	(1,487)	(10,060)	●	(1,363)
Income tax benefit/(expense)	-	-	-	344	-	344	●	-
Found assets	115	-	115	18,476	14,775	3,701	●	14,775
Profit/(loss) on disposal of assets	(5,205)	-	(5,205)	(11,552)	(6,146)	(5,406)	●	(6,146)
Rolling Stock Inventory impairment	-	-	-	(1,500)	-	(1,500)	●	-
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>87,484</b>	<b>2,983</b>	<b>84,501</b>	<b>180,114</b>	<b>72,558</b>	<b>107,556</b>	●	<b>77,178</b>

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

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

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

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
<b>Operating Income</b>							
Rail	10,046	8,962	1,084	101,982	98,427	3,555	108,532
Bus	8,048	8,419	(371)	86,303	85,724	579	93,467
Ferry	1,051	1,069	(18)	11,538	11,555	(17)	12,643
Other public transport	3,014	2,326	688	25,199	25,535	(336)	27,727
Parking	3,725	3,786	(61)	38,567	37,683	884	41,089
Enforcement	3,329	3,262	67	29,585	33,871	(4,286)	36,919
Roading and footpaths	2,169	2,286	(117)	41,251	42,477	(1,226)	44,196
Internal support	2,496	6,046	(3,550)	29,673	25,192	4,481	27,041
Auckland Council operating funding	19,632	19,632	-	215,951	215,951	-	235,583
Grant from Auckland Council for Electric Trains	38,000	-	38,000	38,000	-	38,000	-
<b>Total operating income</b>	<b>91,510</b>	<b>55,788</b>	<b>35,722</b>	<b>618,049</b>	<b>576,415</b>	<b>41,634</b>	<b>627,197</b>
<b>Operating Expenditure</b>							
Rail	13,328	12,648	(680)	147,591	143,808	(3,783)	158,668
Bus	13,273	14,521	1,248	144,445	146,157	1,712	159,782
Ferry	1,543	1,568	25	15,933	16,366	433	18,010
Other public transport	3,670	3,995	325	35,709	37,847	2,138	41,660
Parking	1,201	1,248	47	11,666	11,897	231	13,689
Enforcement	2,632	1,704	(928)	18,656	17,818	(838)	19,669
Roading and footpaths	10,699	10,637	(62)	105,205	105,229	24	116,419
Internal support	8,119	7,638	(481)	89,487	87,431	(2,056)	95,790
Depreciation *	25,337	24,849	(488)	267,259	268,171	912	293,020
<b>Total operating expenditure</b>	<b>79,802</b>	<b>78,808</b>	<b>(994)</b>	<b>835,951</b>	<b>834,724</b>	<b>(1,227)</b>	<b>916,707</b>
<b>Surplus/(deficit) from Operations</b>	<b>11,708</b>	<b>(23,020)</b>	<b>34,728</b>	<b>(217,902)</b>	<b>(258,309)</b>	<b>40,407</b>	<b>(289,510)</b>

\* 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
<b>Operating Income</b>							
Activity Income	3,706	3,369	337	34,458	32,305	2,153	35,607
Other income	81	87	(6)	959	973	(14)	1,061
NZ Transport Agency operating funding	4,559	3,700	859	51,419	49,695	1,724	54,641
NZ Transport Agency operating funding - Electric Trains	1,700	1,806	(106)	15,146	15,454	(308)	17,223
<b>Total operating income</b>	<b>10,046</b>	<b>8,962</b>	<b>1,084</b>	<b>101,982</b>	<b>98,427</b>	<b>3,555</b>	<b>108,532</b>
<b>Operating Expenditure</b>							
Personnel costs	225	200	(25)	2,549	2,289	(260)	2,499
Capitalised personnel costs	(32)	(10)	22	(18)	(127)	(109)	(148)
Service delivery costs and professional services	8,028	7,230	(798)	92,167	90,122	(2,045)	98,978
Occupancy costs	387	284	(103)	3,915	3,599	(316)	3,948
Track access charges	1,409	1,685	276	18,105	17,241	(864)	19,428
Other expenditure	737	491	(246)	7,521	6,759	(762)	7,258
Finance costs (Electric Trains)	2,574	2,768	194	23,352	23,925	573	26,705
<b>Total operating expenditure</b>	<b>13,328</b>	<b>12,648</b>	<b>(680)</b>	<b>147,591</b>	<b>143,808</b>	<b>(3,783)</b>	<b>158,668</b>
Depreciation	2,697	2,534	(163)	26,491	26,581	90	29,116
<b>Surplus/(deficit) from Operations</b>	<b>(5,979)</b>	<b>(6,220)</b>	<b>241</b>	<b>(72,100)</b>	<b>(71,962)</b>	<b>(138)</b>	<b>(79,252)</b>
Internal support costs	2,016	857	(1,159)	20,944	22,301	1,357	24,637
<b>Surplus/(deficit)</b>	<b>(7,995)</b>	<b>(7,077)</b>	<b>(918)</b>	<b>(93,044)</b>	<b>(94,263)</b>	<b>1,219</b>	<b>(103,889)</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	1,255	1,255	-	12,874	12,056	818	13,356
Other income	140	210	(70)	3,854	3,085	769	3,293
NZ Transport Agency operating funding	6,653	6,954	(301)	69,575	70,583	(1,008)	76,818
<b>Total operating income</b>	<b>8,048</b>	<b>8,419</b>	<b>(371)</b>	<b>86,303</b>	<b>85,724</b>	<b>579</b>	<b>93,467</b>
<b>Operating Expenditure</b>							
Personnel costs	261	254	(7)	2,596	2,752	156	3,018
Capitalised personnel costs	4	-	(4)	91	14	(77)	14
Service delivery costs and professional services	13,663	14,073	410	139,998	141,521	1,523	154,665
Occupancy costs	22	123	101	870	1,068	198	1,190
Other expenditure	(677)	71	748	890	802	(88)	895
<b>Total operating expenditure</b>	<b>13,273</b>	<b>14,521</b>	<b>1,248</b>	<b>144,445</b>	<b>146,157</b>	<b>1,712</b>	<b>159,782</b>
Depreciation	164	170	6	1,715	1,805	90	1,975
<b>Surplus/(deficit) from Operations</b>	<b>(5,389)</b>	<b>(6,272)</b>	<b>883</b>	<b>(59,857)</b>	<b>(62,238)</b>	<b>2,381</b>	<b>(68,290)</b>
Internal support costs	2,030	863	(1,167)	21,091	22,458	1,367	24,809
<b>Surplus/(deficit)</b>	<b>(7,419)</b>	<b>(7,135)</b>	<b>(284)</b>	<b>(80,948)</b>	<b>(84,696)</b>	<b>3,748</b>	<b>(93,099)</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	251	223	28	3,209	2,867	342	3,184
Activity Income	74	57	17	688	629	59	686
Other Income	55	50	5	595	544	51	593
NZ Transport Agency operating funding	671	739	(68)	7,046	7,515	(469)	8,180
<b>Total operating income</b>	<b>1,051</b>	<b>1,069</b>	<b>(18)</b>	<b>11,538</b>	<b>11,555</b>	<b>(17)</b>	<b>12,643</b>
<b>Operating Expenditure</b>							
Personnel costs	79	84	5	1,040	979	(61)	1,067
Capitalised personnel costs	-	(2)	(2)	1	(18)	(19)	(20)
Service delivery costs and professional services	1,239	1,240	1	12,570	12,716	146	14,016
Other expenditure	225	246	21	2,322	2,689	367	2,947
<b>Total operating expenditure</b>	<b>1,543</b>	<b>1,568</b>	<b>25</b>	<b>15,933</b>	<b>16,366</b>	<b>433</b>	<b>18,010</b>
Depreciation	257	240	(17)	2,611	2,616	5	2,856
<b>Surplus/(deficit) from Operations</b>	<b>(749)</b>	<b>(739)</b>	<b>(10)</b>	<b>(7,006)</b>	<b>(7,427)</b>	<b>421</b>	<b>(8,223)</b>
Internal support costs	229	97	(132)	2,377	2,531	154	2,796
<b>Surplus/(deficit)</b>	<b>(978)</b>	<b>(836)</b>	<b>(142)</b>	<b>(9,383)</b>	<b>(9,958)</b>	<b>575</b>	<b>(11,019)</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	539	542	(3)	5,996	6,087	(91)	6,616
NZ Transport Agency operating funding	2,475	1,784	691	19,203	19,448	(245)	21,111
<b>Total operating income</b>	<b>3,014</b>	<b>2,326</b>	<b>688</b>	<b>25,199</b>	<b>25,535</b>	<b>(336)</b>	<b>27,727</b>
<b>Operating Expenditure</b>							
Personnel costs	1,077	1,054	(23)	11,487	11,320	(167)	12,397
Capitalised personnel costs	66	344	278	533	(11)	(544)	286
Service delivery costs and professional services	1,391	1,392	1	12,927	15,352	2,425	16,739
IT costs	251	128	(123)	2,050	1,432	(618)	1,564
Other expenditure	885	1,077	192	8,712	9,754	1,042	10,674
<b>Total operating expenditure</b>	<b>3,670</b>	<b>3,995</b>	<b>325</b>	<b>35,709</b>	<b>37,847</b>	<b>2,138</b>	<b>41,660</b>
Depreciation	1,388	1,342	(46)	14,552	14,713	161	16,055
<b>Surplus/(deficit) from Operations</b>	<b>(2,044)</b>	<b>(3,011)</b>	<b>967</b>	<b>(25,062)</b>	<b>(27,025)</b>	<b>1,963</b>	<b>(29,988)</b>
<b>Internal support costs</b>	<b>529</b>	<b>225</b>	<b>(304)</b>	<b>5,499</b>	<b>5,855</b>	<b>356</b>	<b>6,469</b>
<b>Surplus/(deficit)</b>	<b>(2,573)</b>	<b>(3,236)</b>	<b>663</b>	<b>(30,561)</b>	<b>(32,880)</b>	<b>2,319</b>	<b>(36,457)</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	101	70	31	1,079	874	205	946
Parking fees	3,624	3,716	(92)	37,488	36,809	679	40,143
<b>Total operating income</b>	<b>3,725</b>	<b>3,786</b>	<b>(61)</b>	<b>38,567</b>	<b>37,683</b>	<b>884</b>	<b>41,089</b>
<b>Operating Expenditure</b>							
Personnel costs	241	256	15	2,700	2,722	22	2,983
Capitalised personnel costs	(5)	(16)	(11)	79	(159)	(238)	(176)
Service delivery costs and professional services	456	316	(140)	3,029	2,873	(156)	3,334
Occupancy costs	447	576	129	5,211	5,573	362	6,486
Other expenditure	62	116	54	647	888	241	1,062
<b>Total operating expenditure</b>	<b>1,201</b>	<b>1,248</b>	<b>47</b>	<b>11,666</b>	<b>11,897</b>	<b>231</b>	<b>13,689</b>
Depreciation	544	531	(13)	5,956	5,891	(65)	6,422
<b>Surplus/(deficit) from Operations</b>	<b>1,980</b>	<b>2,007</b>	<b>(27)</b>	<b>20,945</b>	<b>19,895</b>	<b>1,050</b>	<b>20,978</b>
Internal support costs	174	74	(100)	1,807	1,924	117	2,126
<b>Surplus/(deficit)</b>	<b>1,806</b>	<b>1,933</b>	<b>(127)</b>	<b>19,138</b>	<b>17,971</b>	<b>1,167</b>	<b>18,852</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>							
Infringement income	3,329	3,262	67	29,585	33,871	(4,286)	36,919
<b>Total operating income</b>	<b>3,329</b>	<b>3,262</b>	<b>67</b>	<b>29,585</b>	<b>33,871</b>	<b>(4,286)</b>	<b>36,919</b>
<b>Operating Expenditure</b>							
Personnel costs	711	852	141	9,125	9,064	(61)	10,067
Capitalised personnel costs	22	-	(22)	213	34	(179)	34
Service delivery costs and professional services	148	157	9	1,586	1,474	(112)	1,600
Other expenditure	1,751	695	(1,056)	7,732	7,246	(486)	7,968
<b>Total operating expenditure</b>	<b>2,632</b>	<b>1,704</b>	<b>(928)</b>	<b>18,656</b>	<b>17,818</b>	<b>(838)</b>	<b>19,669</b>
Depreciation	3	19	16	29	156	127	174
<b>Surplus/(deficit) from Operations</b>	<b>694</b>	<b>1,539</b>	<b>(845)</b>	<b>10,900</b>	<b>15,897</b>	<b>(4,997)</b>	<b>17,076</b>
Internal support costs	250	106	(144)	2,596	2,765	169	3,054
<b>Surplus/(deficit)</b>	<b>444</b>	<b>1,433</b>	<b>(989)</b>	<b>8,304</b>	<b>13,132</b>	<b>(4,828)</b>	<b>14,022</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	770	696	74	8,087	8,225	(138)	8,720
Other income	(116)	406	(522)	4,499	4,933	(434)	5,310
NZ Transport Agency operating funding	1,515	1,184	331	28,665	29,319	(654)	30,166
<b>Total operating income</b>	<b>2,169</b>	<b>2,286</b>	<b>(117)</b>	<b>41,251</b>	<b>42,477</b>	<b>(1,226)</b>	<b>44,196</b>
<b>Operating Expenditure</b>							
Personnel costs	2,164	2,227	63	21,174	21,349	175	23,716
Capitalised personnel costs	(448)	(832)	(384)	(4,681)	(6,754)	(2,073)	(7,311)
Service delivery costs and professional services	6,771	7,337	566	70,023	72,607	2,584	80,090
Occupancy costs	1,485	1,423	(62)	14,497	14,203	(294)	15,379
IT costs	12	160	148	178	1,107	929	1,267
Other expenditure	715	322	(393)	4,014	2,717	(1,297)	3,278
<b>Total operating expenditure</b>	<b>10,699</b>	<b>10,637</b>	<b>(62)</b>	<b>105,205</b>	<b>105,229</b>	<b>24</b>	<b>116,419</b>
Depreciation	19,200	18,755	(445)	205,694	204,450	(1,244)	223,204
<b>Surplus/(deficit) from Operations</b>	<b>(27,730)</b>	<b>(27,106)</b>	<b>(624)</b>	<b>(269,648)</b>	<b>(267,202)</b>	<b>(2,446)</b>	<b>(295,427)</b>
Internal support costs	1,479	629	(850)	15,367	16,363	996	18,076
<b>Surplus/(deficit)</b>	<b>(29,209)</b>	<b>(27,735)</b>	<b>(1,474)</b>	<b>(285,015)</b>	<b>(283,565)</b>	<b>(1,450)</b>	<b>(313,503)</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>							
Other income	1,132	1,022	110	11,809	10,935	874	11,938
NZ Transport Agency operating funding	1,364	5,024	(3,660)	17,864	14,257	3,607	15,103
<b>Total operating income</b>	<b>2,496</b>	<b>6,046</b>	<b>(3,550)</b>	<b>29,673</b>	<b>25,192</b>	<b>4,481</b>	<b>27,041</b>
<b>Operating Expenditure</b>							
Personnel costs	6,337	5,984	(353)	66,061	65,276	(785)	71,444
Capitalised personnel costs	(2,493)	(2,076)	417	(23,293)	(22,407)	886	(24,501)
Directors Fees	42	54	12	480	526	46	594
Service delivery costs and professional services	2,028	1,662	(366)	22,181	22,130	(51)	24,392
Other expenditure	2,205	2,014	(191)	24,058	21,906	(2,152)	23,861
<b>Total operating expenditure</b>	<b>8,119</b>	<b>7,638</b>	<b>(481)</b>	<b>89,487</b>	<b>87,431</b>	<b>(2,056)</b>	<b>95,790</b>
Depreciation	1,084	1,258	174	10,211	11,959	1,748	13,218
Taxation	-	-	-	(344)	-	344	-
<b>Surplus/(deficit) before allocation of costs</b>	<b>(6,707)</b>	<b>(2,850)</b>	<b>(3,857)</b>	<b>(69,681)</b>	<b>(74,198)</b>	<b>4,517</b>	<b>(81,967)</b>
Internal support allocation	(6,707)	(2,850)	3,857	(69,681)	(74,198)	(4,517)	(81,967)
<b>Total internal support allocation</b>	<b>(6,707)</b>	<b>(2,850)</b>	<b>3,857</b>	<b>(69,681)</b>	<b>(74,198)</b>	<b>(4,517)</b>	<b>(81,967)</b>
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Section 3a – Summary of Capital Expenditure Split by activity

	Current month			Year to date			Full year	Revised Budget \$000
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Results Achieved	
<b>New capital expenditure</b>								
Roads and footpaths	19,898	14,178	(5,720)	126,925	154,248	27,323	●	171,305
AT Metro (includes CRL)	18,192	17,272	(920)	117,434	122,369	4,935	●	148,619
Parking operations	60	2,265	2,205	2,651	7,816	5,165	●	8,229
Internal support	1,798	236	(1,562)	21,178	12,256	(8,922)	●	12,392
<b>Total new capital</b>	<b>39,948</b>	<b>33,951</b>	<b>(5,997)</b>	<b>268,188</b>	<b>296,689</b>	<b>28,501</b>	●	<b>340,545</b>
<b>Renewal capital expenditure</b>								
Roads and footpaths	15,278	15,078	(200)	175,992	173,635	(2,357)	●	188,271
AT Metro	489	373	(116)	2,365	4,501	2,136	●	4,850
Parking operations	162	359	197	821	1,908	1,087	●	2,200
<b>Total renewal</b>	<b>15,929</b>	<b>15,810</b>	<b>(119)</b>	<b>179,178</b>	<b>180,044</b>	<b>866</b>	●	<b>195,321</b>
<b>Electric multiple units (EMUs)</b>								
Procurement	10,369	6,824	(3,545)	190,185	202,743	12,558	●	214,237
Depot	-	-	-	651	321	(330)	●	997
<b>Total EMUs</b>	<b>10,369</b>	<b>6,824</b>	<b>(3,545)</b>	<b>190,836</b>	<b>203,064</b>	<b>12,228</b>	●	<b>215,234</b>
<b>Total direct capital</b>	<b>66,246</b>	<b>56,585</b>	<b>(9,661)</b>	<b>638,202</b>	<b>679,797</b>	<b>41,595</b>	●	<b>751,100</b>
Vested assets	56,374	-	(56,374)	155,499	43,003	(112,496)	●	43,003
<b>Total capital</b>	<b>122,620</b>	<b>56,585</b>	<b>(66,035)</b>	<b>793,701</b>	<b>722,800</b>	<b>(70,901)</b>	●	<b>794,103</b>

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

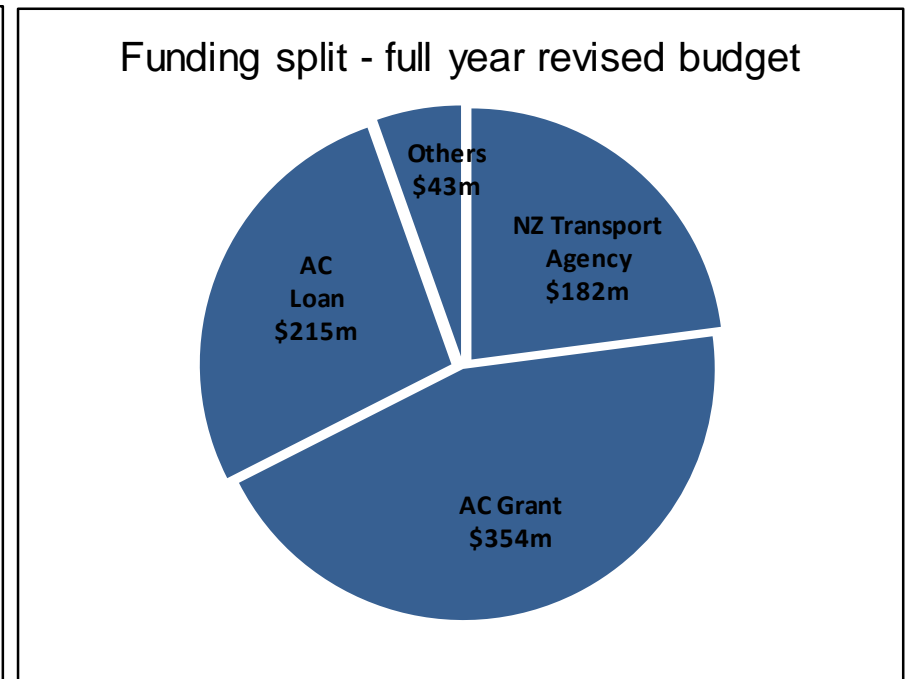
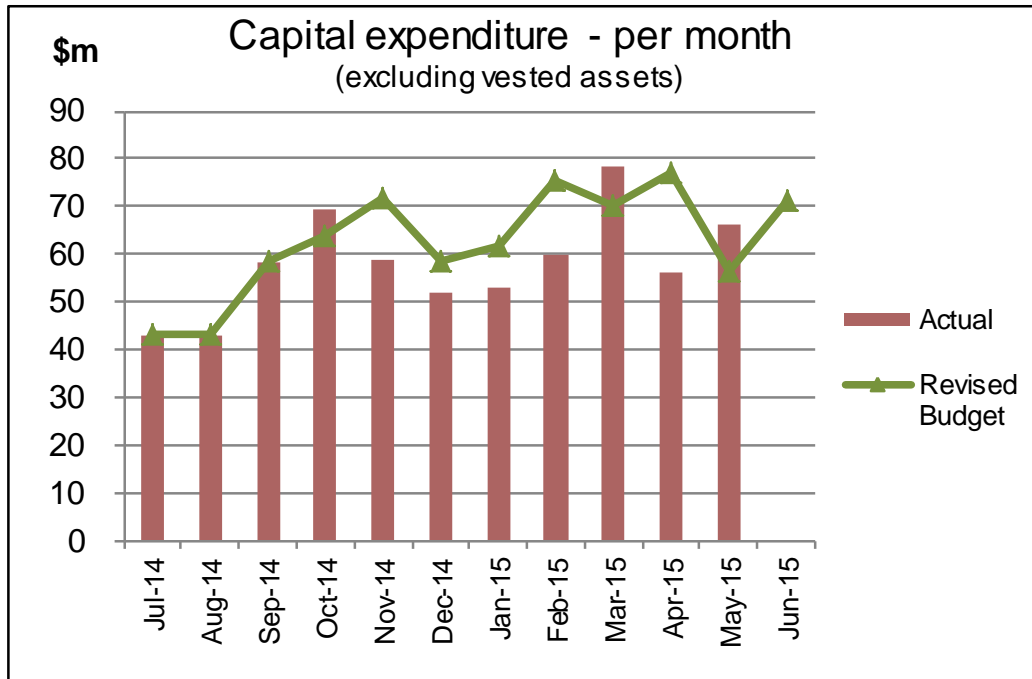
## Section 3b – Summary of Capital Expenditure Split by category

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
<b>Core capital expenditure</b>							
<b>New capital</b>							
Capital land acquisition	4,160	1,465	(2,695)	26,188	32,369	6,181	35,391
Roads and footpaths	14,765	11,005	(3,760)	97,312	112,842	15,530	125,131
AT Metro	4,146	7,167	3,021	31,086	36,868	5,782	52,146
Parking operations	60	2,265	2,205	2,651	7,816	5,165	8,229
Internal support	1,774	236	(1,538)	20,597	12,197	(8,400)	12,345
<b>Total new capital core expenditure</b>	<b>24,905</b>	<b>22,138</b>	<b>(2,767)</b>	<b>177,834</b>	<b>202,092</b>	<b>24,258</b>	<b>233,242</b>
<b>Renewal</b>							
Roads and footpaths	15,278	15,078	(200)	175,992	173,635	(2,357)	185,768
AT Metro	489	373	(116)	2,365	4,501	2,136	4,850
Parking operations	162	359	197	821	1,908	1,087	2,200
<b>Total renewal core expenditure</b>	<b>15,929</b>	<b>15,810</b>	<b>(119)</b>	<b>179,178</b>	<b>180,044</b>	<b>866</b>	<b>192,818</b>
<b>Total core capital expenditure</b>	<b>40,834</b>	<b>37,948</b>	<b>(2,886)</b>	<b>357,012</b>	<b>382,136</b>	<b>25,124</b>	<b>426,060</b>
<b>Ring fenced capital expenditure</b>							
City Rail Link- others	4,002	461	(3,541)	30,304	21,811	(8,493)	32,463
City Rail Link- land	9,937	9,560	(377)	54,717	62,151	7,434	62,299
EMU depot	-	-	-	651	321	(330)	997
EMU procurement	10,369	6,824	(3,545)	190,185	202,743	12,558	214,237
Local Board initiatives	981	1,463	482	4,067	8,435	4,368	9,973
Others	123	329	206	1,266	2,200	934	5,071
<b>Total ring fenced capital expenditure</b>	<b>25,412</b>	<b>18,637</b>	<b>(6,775)</b>	<b>281,190</b>	<b>297,661</b>	<b>16,471</b>	<b>325,040</b>
<b>Total direct capital excluding vested assets</b>	<b>66,246</b>	<b>56,585</b>	<b>(9,661)</b>	<b>638,202</b>	<b>679,797</b>	<b>41,595</b>	<b>751,100</b>
Vested assets	56,374	-	(56,374)	155,499	43,003	(112,496)	43,003
<b>Total capital</b>	<b>122,620</b>	<b>56,585</b>	<b>(66,035)</b>	<b>793,701</b>	<b>722,800</b>	<b>(70,901)</b>	<b>794,103</b>

## 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
<b>Funding</b>							
NZ Transport Agency - new capital co-investment	7,641	11,153	(3,512)	47,979	80,682	(32,703)	101,395
NZ Transport Agency - renewal capital co-investment	5,397	3,514	1,883	77,024	76,747	277	80,523
AC funding (Non EMU)	11,208	11,208	-	123,293	123,293	-	134,501
Investment by AC	31,631	23,886	7,745	199,070	196,011	3,059	219,447
AC loan (EMU)	10,369	6,824	3,545	190,836	203,064	(12,228)	215,234
Vested assets	56,374	-	56,374	155,499	43,003	112,496	43,003
<b>Total funding</b>	<b>122,620</b>	<b>56,585</b>	<b>66,035</b>	<b>793,701</b>	<b>722,800</b>	<b>70,901</b>	<b>794,103</b>





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

	Note	Actual 31 May 2015 \$000	Actual 30 April 2015 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	12,561	16,531
Trade and other receivables	2	192,120	155,895
Inventories		2,855	2,572
Other assets		6,953	12,022
Non-current asset held for sale		5,000	5,000
<b>Total current assets</b>		<b>219,489</b>	<b>192,020</b>
<b>Non-current assets</b>			
Property, plant and equipment		15,918,487	15,831,626
Property, plant and equipment - w ork-in-progress		424,119	409,288
Intangible assets		112,307	112,294
Amounts due from related parties		-	52,000
<b>Total non-current assets</b>		<b>16,454,913</b>	<b>16,405,208</b>
<b>Total assets</b>		<b>16,674,402</b>	<b>16,597,228</b>

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

	Note	Actual 31 May 2015 \$000	Actual 30 April 2015 \$000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	3	1,092	4,334
Trade and other payables	4	175,325	164,974
Employee benefit liabilities	5	10,586	9,713
Borrow ings	6	4,650	4,645
Total current liabilities		191,653	183,666
<b>Non-current liabilities</b>			
Derivative financial instruments	3	3,460	3,498
Employee benefit liabilities	5	675	745
Borrow ings	6	479,413	532,603
Deferred tax liability	7	10,544	10,544
Total non-current liabilities		494,092	547,390
<b>Total liabilities</b>		<b>685,745</b>	<b>731,056</b>
<b>Net assets</b>		<b>15,988,657</b>	<b>15,866,172</b>
<b>Equity</b>			
Contributed equity		13,400,180	13,368,445
Retained earnings/(losses)		599,183	511,694
Reserves		1,989,294	1,986,033
<b>Total equity</b>		<b>15,988,657</b>	<b>15,866,172</b>

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

	Actual 31 May 2015 \$000	Actual 30 April 2015 \$000
<b>1 Cash and cash equivalents</b>		
Cash at bank - Trading	12,285	16,255
Till floats	276	276
<b>Total cash and cash equivalents</b>	<b>12,561</b>	<b>16,531</b>

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

## 2 Trade and other receivables

Trade debtors	4,329	4,312
Finance lease receivable	84	86
Infringements receivable	32,484	19,199
Amounts due from related parties	137,742	103,329
Accrued income	32,650	30,438
	<b>207,289</b>	<b>157,364</b>
Less provision for impairment of receivables	(15,169)	(1,469)
<b>Total trade and other receivables</b>	<b>192,120</b>	<b>155,895</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 May 2015 is detailed below :

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

	<b>Gross</b>	<b>Impaired</b>	<b>Net</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Not past due	173,916	-	173,916
Past due 1 - 30 days	2,542	-	2,542
Past due 31 - 60 days	1,561	-	1,561
Past due 61 - 90 days	1,165	-	1,165
Past due > 90 days	28,105	(15,169)	12,936
	<b>207,289</b>	<b>(15,169)</b>	<b>192,120</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 2014	1,179
Additional provisions made	14,194
Provisions reversed	(116)
Receivables written-off	(88)
At 31 May 2015	15,169

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

	Actual 31 May 2015 \$000	Actual 30 April 2015 \$000
<b>3 Derivative financial instruments</b>		
<b>Current liability portion</b>		
Forward foreign exchange contracts - cash flow hedges	1,092	4,334
<b>Current derivative financial instruments</b>	<b>1,092</b>	<b>4,334</b>
<b>Non-current liability portion</b>		
Interest rate swaps - cash flow hedges	3,457	3,474
Forward foreign exchange contracts - cash flow hedges	3	24
<b>Non-current derivative financial instruments</b>	<b>3,460</b>	<b>3,498</b>
<b>Total derivative financial instrument liabilities</b>	<b>4,552</b>	<b>7,832</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 \$41m. The foreign currency principal amount was USD \$29m. These cash flow hedges have been accounted for as effective and the gain of \$40m 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 \$35m. At 31 May 2015 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.35% to 5.41%. The gain on their revaluation of \$1.5m has been recorded in the Statement of Financial Performance.

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

	Actual 31 May 2015 \$000	Actual 30 April 2015 \$000
<b>4 Trade and other payables</b>		
Creditors	15,960	15,558
Goods and services tax	1,810	876
Accrued expenses	123,727	113,793
Retentions	7,457	7,334
Amounts due to related parties	25,594	26,599
Income in advance	777	814
	<b>175,325</b>	<b>164,974</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.

## 5 Employee benefit liabilities

### Current portion

Accrued salaries and wages	2,318	1,827
Accrued leave	8,268	7,886
<b>Current employee benefit liabilities</b>	<b>10,586</b>	<b>9,713</b>

### Non-current portion

Retirement gratuities	383	383
Long service leave	292	362
<b>Non-current employee benefit liabilities</b>	<b>675</b>	<b>745</b>

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

	Actual 31 May 2015 \$000	Actual 30 April 2015 \$000
<b>6 Borrowings</b>		
<b>Current portion</b>		
Loans from Auckland Council	4,622	4,612
Finance Leases	28	33
<b>Current borrowings</b>	<b>4,650</b>	<b>4,645</b>
<b>Non-current portion</b>		
Loans from Auckland Council	479,413	532,603
Finance Leases	-	-
<b>Non-current borrowings</b>	<b>479,413</b>	<b>532,603</b>
Weighted average cost of funds on total borrowings	5.78%	5.79%

Auckland Transport's loan debt of \$484m 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 \$000	Other Provisions \$000	Tax Losses \$000	Actual 31 May 2015 Total \$000
<b>Deferred tax liability</b>				
Balance at 1 July 2014	(10,888)	-	-	(10,888)
Charged to profit and loss	344	-	-	344
Charged to equity	-	-	-	-
<b>Balance at 31 May 2015</b>	<b>(10,544)</b>	<b>-</b>	<b>-</b>	<b>(10,544)</b>



## Section 5a – Cash Flow

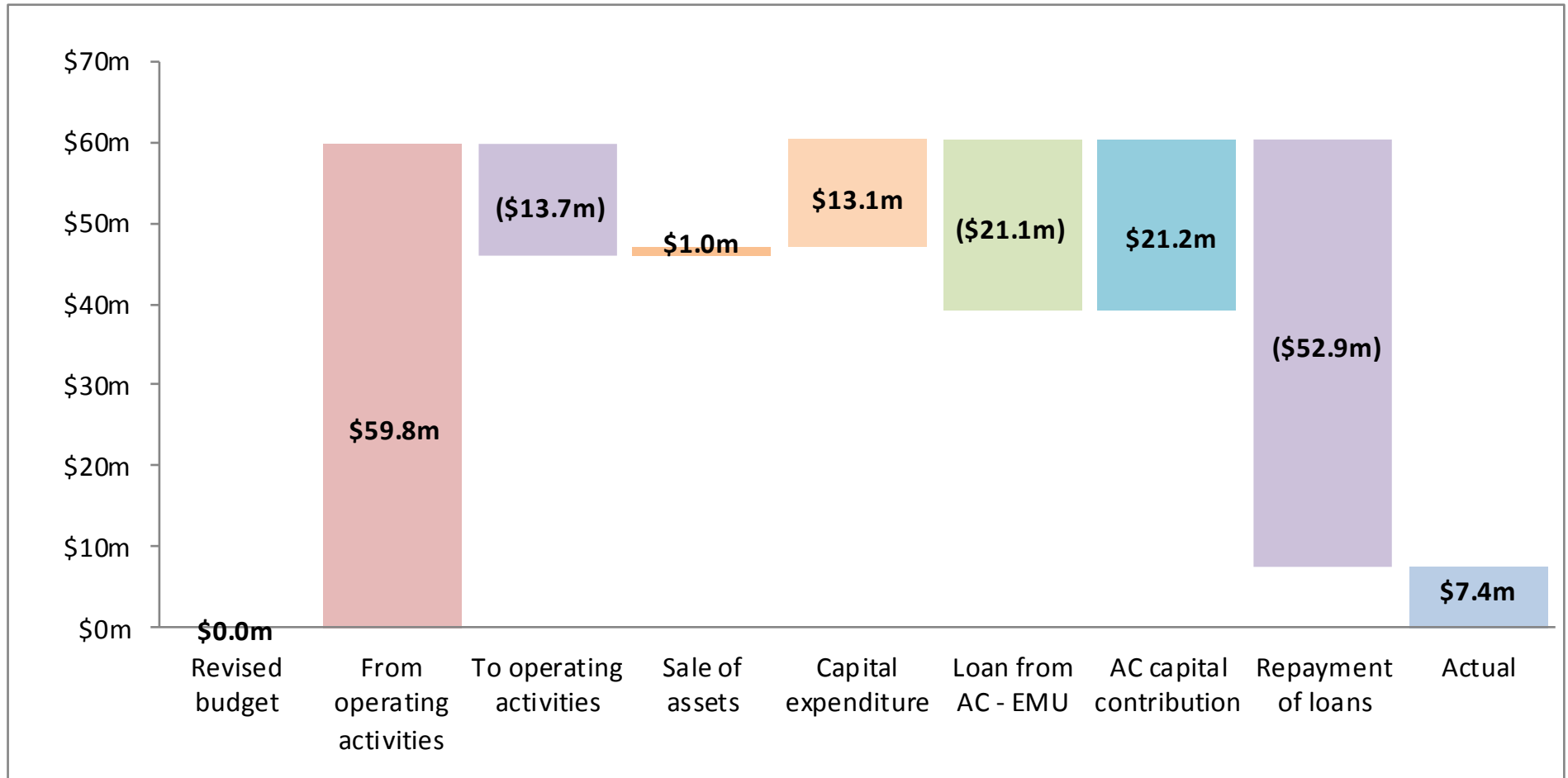
	Year to date		Full year
	Actual \$000	Revised Budget \$000	Revised Budget \$000
<b>Cash flows from operating activities</b>			
Total cash provided	916,950	857,137	943,616
<b>Cash applied to:</b>			
Payments to suppliers, employees and directors	564,556	549,255	596,931
Interest paid	22,341	23,926	26,706
<b>Total cash applied</b>	<b>586,897</b>	<b>573,181</b>	<b>623,637</b>
<b>Net cash from operating activities</b>	<b>330,053</b>	<b>283,956</b>	<b>319,979</b>
<b>Cash flows from investing activities</b>			
<b>Cash provided from:</b>			
Sale of property, plant and equipment	1,006	-	-
<b>Total cash provided</b>	<b>1,006</b>	<b>-</b>	<b>-</b>
<b>Cash applied to:</b>			
Capital expenditure projects	666,686	679,797	751,100
<b>Total cash applied</b>	<b>666,686</b>	<b>679,797</b>	<b>751,100</b>
<b>Net cash from investing activities</b>	<b>(665,680)</b>	<b>(679,797)</b>	<b>(751,100)</b>
<b>Cash flows from financing activities</b>			
<b>Cash provided from:</b>			
Loan from Auckland Council - EMU	182,000	203,064	215,234
Capital contribution from Auckland Council (Note 1)	217,156	196,011	219,447
<b>Total cash provided</b>	<b>399,156</b>	<b>399,075</b>	<b>434,681</b>
<b>Cash applied to:</b>			
Repayments of EMU loan from Auckland Council	55,994	3,188	3,510
Repayments of finance lease principal	54	46	50
<b>Total cash provided</b>	<b>56,048</b>	<b>3,234</b>	<b>3,560</b>
<b>Net cash from financing activities</b>	<b>343,108</b>	<b>395,841</b>	<b>431,121</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>7,481</b>	<b>0</b>	<b>-</b>
Opening cash balance	5,080	-	-
<b>Closing cash balance</b>	<b>12,561</b>	<b>0</b>	<b>-</b>

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

<b>Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities</b>	
	Actual \$000
<b>Surplus/(deficit) after tax</b>	<b>180,114</b>
<b>Add/(less) non cash items</b>	
Depreciation and amortisation	267,259
Vested assets	(155,499)
Found assets	(18,476)
Loss on disposal of property, plant and equipment	11,552
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	-
Loss on interest rate sw aps	(1,506)
Income tax	(344)
	<b>102,986</b>
<b>Add/(less) movements in working capital</b>	
Decrease/(Increase) in debtors and other receivables	42,126
Decrease/(Increase) in inventories	1,345
(Decrease)/Increase in creditors and other payables	2,742
(Decrease)/Increase in employee benefits payable	740
	<b>46,953</b>
<b>Net cash flow from operating activities</b>	<b>330,053</b>

## Section 5b – Cash Flow Waterfall

Cash flow – Year to date revised budget to actual



## Section 6 – Accounts Receivable Report

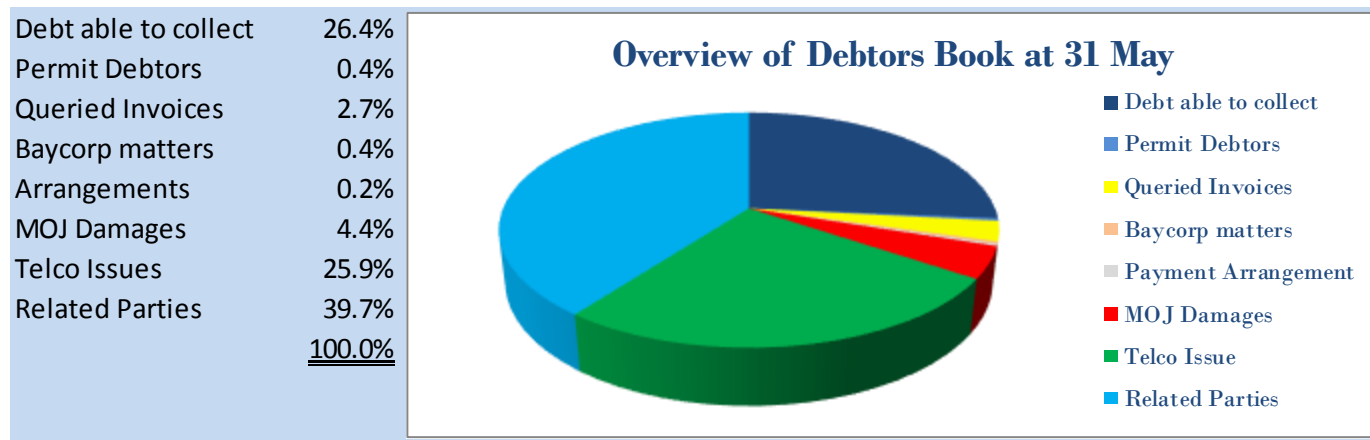
### Accounts Receivable

An overview of the Debtors as at 31 May has 95.8% (99.3% April) of adjusted Debtors in 30 and 60 days, or not yet due.

<u>Debtors Ageing Analysis as at 31 May 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 May		7,170,918	4,064,775	785,974	166,398	54,597	247,101	1,852,072	1
Parking Permit Debtors		25,368	0	15,711	3,262	2,468	3,927	0	2
<b>Total Debtors</b>		<b>7,196,286</b>	<b>4,064,775</b>	<b>801,685</b>	<b>169,660</b>	<b>57,065</b>	<b>251,028</b>	<b>1,852,072</b>	
		100.0%	56.5%	11.1%	2.4%	0.8%	3.5%	25.7%	
O/s Related Parties	12	2,866,964	2,860,357	388	0	1,035	0	5,184	3
<b>Trade Debtors</b>	<b>119</b>	<b>4,329,322</b>	<b>1,204,418</b>	<b>801,297</b>	<b>169,660</b>	<b>56,030</b>	<b>251,028</b>	<b>1,846,888</b>	
		100.0%	27.8%	18.5%	3.9%	1.3%	5.8%	42.7%	
Queried Invoices	309	197,071	82,665	10,896	643	5,974	1,758	95,134	4
Cell Sites - Property	632	1,867,488	0	0	158,365	0	189,900	1,519,223	5
To Baycorp (Collection)	627	26,919	621	207	511	0	0	25,581	6
Payment Arrangement	72	17,176	328	0	1,149	13,420	530	1,749	7
Lodged Courts (Damages)	286	314,603	38,401	53,187	2,499	25,610	3,652	191,254	8
<b>Adjusted Debtors</b>		<b>1,906,065</b>	<b>1,082,402</b>	<b>737,006</b>	<b>6,493</b>	<b>11,026</b>	<b>55,188</b>	<b>13,949</b>	
		100.0%	56.8%	38.7%	0.3%	0.6%	2.9%	0.7%	

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

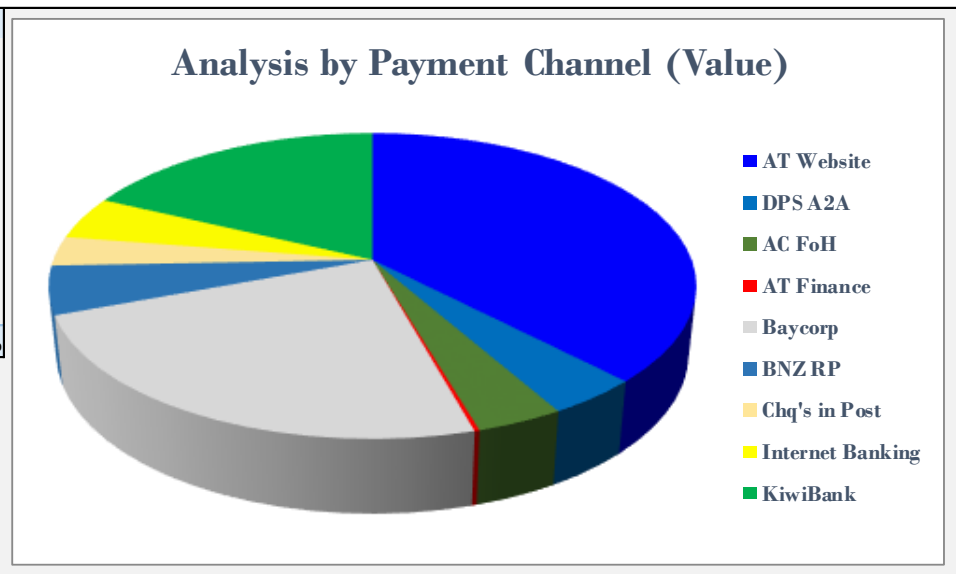
- 1 - Sundry Debtors administered in the SAP system.
- 2 - Parking Permit Debtors administered in the Pathway system. These permits are for on street permits issued. Amounts not collected within 60 days are lodged with Baycorp for collection.
- 3 - Inter-Council Group debts.
- 4 - Relates to invoices which have been queried or disputed by customers. The AR Team and various AT Departments are engaged in an effort to resolve these queries. Of the total, \$61,000 relates to the issues previously reported on a group of apartments disputing parking charges. This debt has been fully provided for and, as advised, this debt will be written off this financial year.
- 5 - Relates to the on-going cell sites dispute. The balance owing by the Telco's has been fully impaired as at 31 May 2015 and may be written off in the future. There is an agreed strategy for settling the current outstanding balances and AT are currently engaging with the Telco's to agree a new fee arrangement by 1 July.
- 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.



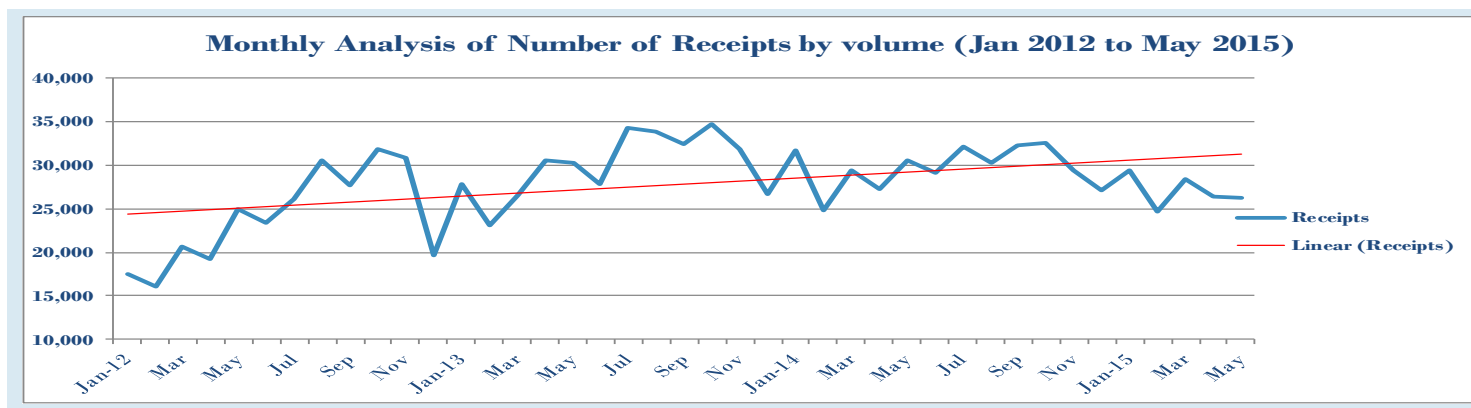
**Infringement Overview:**

Row Label	No. Receipts	% of Count	Value Receipts	% of Total
AT Website	11,052	42.1%	\$553,282.30	37.8%
DPS A2A	1,057	4.0%	\$58,481.70	4.0%
AC FoH	487	1.9%	\$54,731.70	3.7%
AT Finance	78	0.3%	\$3,137.90	0.2%
Baycorp	5,836	22.2%	\$345,439.74	23.6%
BNZ RP	1,393	5.3%	\$75,031.70	5.1%
Chq's in Post	316	1.2%	\$45,924.80	3.1%
Internet Banking	1,161	4.4%	\$66,928.79	4.6%
KiwiBank	4,889	18.6%	\$262,498.90	17.9%
<b>Grand Total</b>	<b>26,269</b>	<b>100.0%</b>	<b>\$1,465,457.53</b>	<b>100.0%</b>

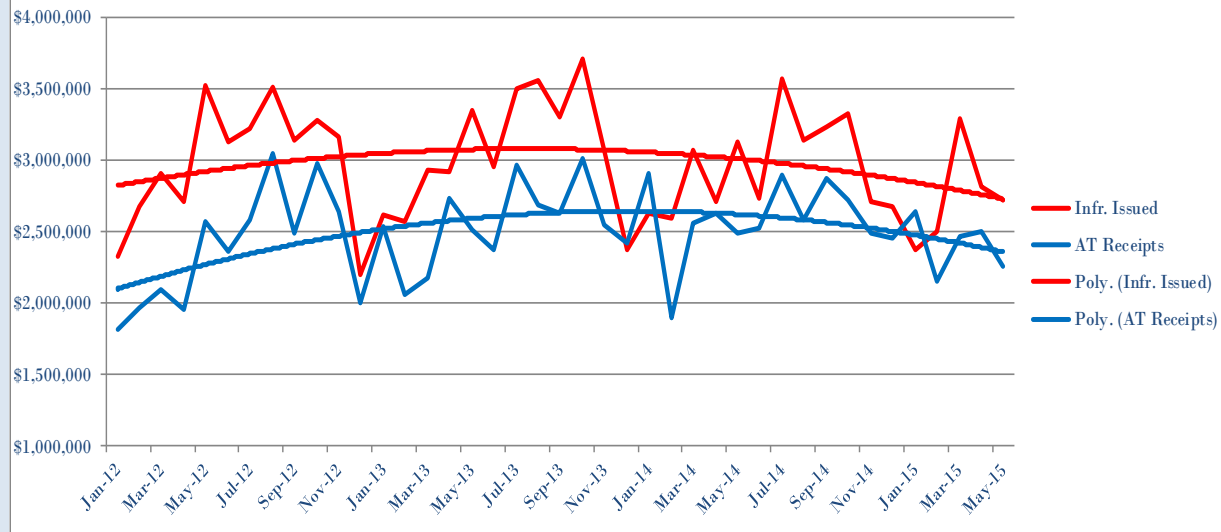
Working days April -> 19  
 Ave receipts / day April -> 1390  
 Working days May -> 21  
 Ave receipts / day May -> 1250  
 Other influencing factors -> None



May's Infringement receipts by volume are 0.6% down on April (21 working days in May compared with 19 in April). While the contract with Baycorp has, over time, increased the number of infringements paid, ultimately, the comparison of infringements paid in a month is driven by the number of infringements issued in the preceding months. Collection rates in April and May 2015 are down on historical trends. Of the customers not paying in response to a Baycorp letter of demand, 65% are making use of our electronic payment methods (69% in April).

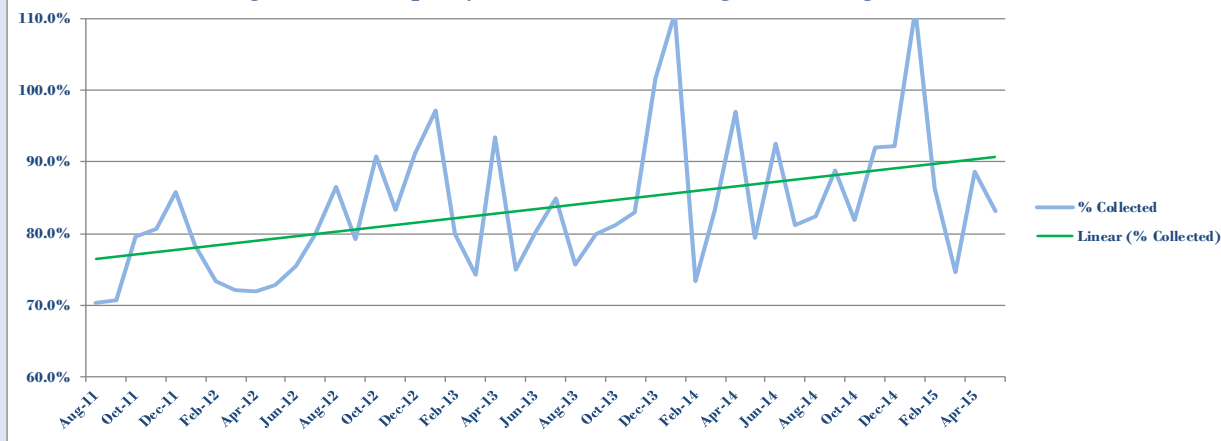


**Infringements Issued versus Infringement Receipts Jan 12 to May 15**



Analysis of receipts by value show that infringements issued over the past 18 months have decreased. While collections follow the issue trend a month or two later, the collection lines over time are moving closer. Infringements are handed to Baycorp on day 63 and remain with them for 87 days. Baycorp cumulative collection rates show 11.8% (Month1), 23.8% (M2), 28.4% (M3), 29.8% (M4), 30.6% (overall) based on amounts lodged. The collections after month 3 (M4 onwards) are for those matters with ongoing payment arrangements.

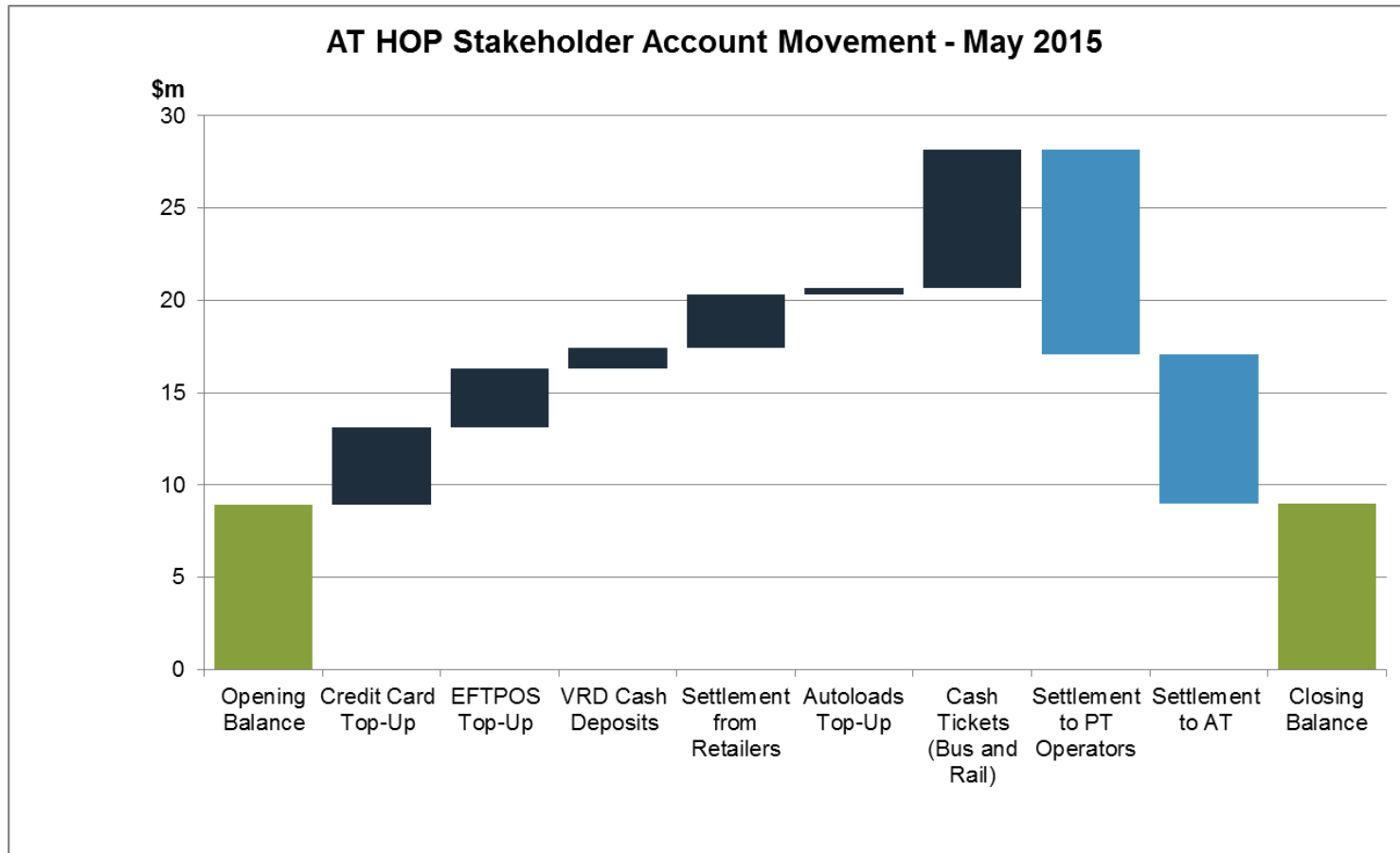
**Infringement Receipts by Value as a Percentage of Infringements Issued.**



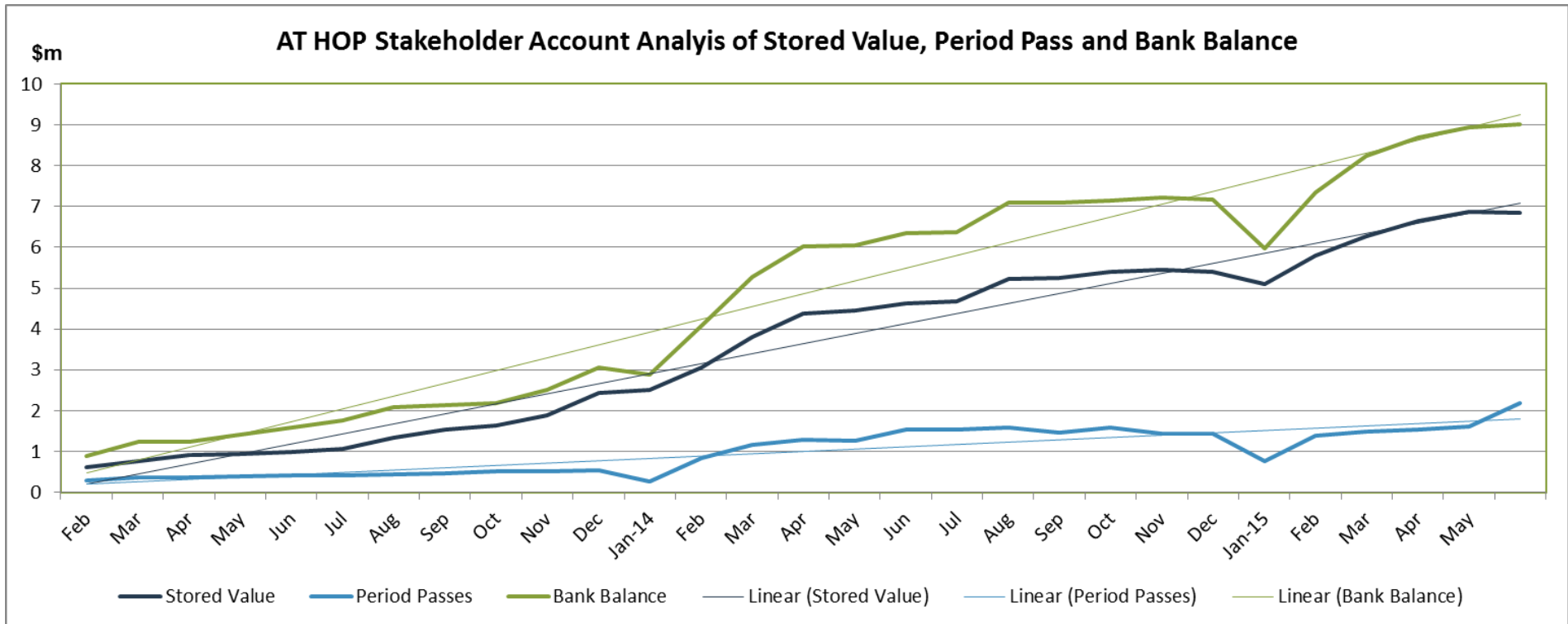
The low number of infringements issued during December and January has resulted in lower than normal collection percentages in March and April. This is the normal trend for this time of the year as can be seen in previous years.

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

The AT HOP Stakeholder bank account has increased by 0.7% in May 2015, from \$8.95 million to \$9.0 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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