

Financial Results for the Ten Months Ended 30 April 2013

This report summarises the Auckland Transport financial results for the ten months ended 30 April 2013.

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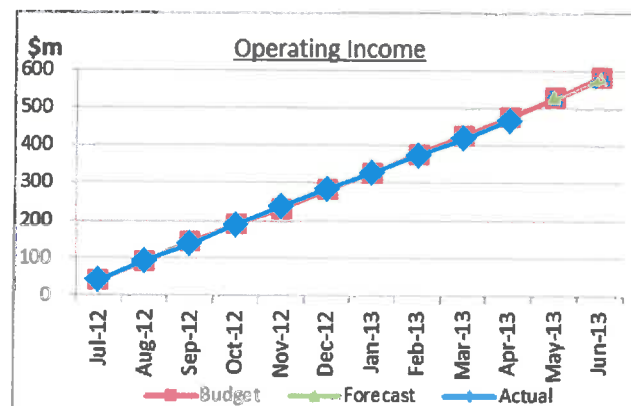
Executive Summary

Financial Results for the ten months ended 30 April 2013:

	Current month variance to Forecast \$m	Year to date variance to Forecast \$million	Year to date results		Year to date Actual \$million	Year to date Forecast \$million	Full year Forecast \$m	Full Year Budget \$million
Total operating income	5.4	(7.3)	↓	●	466.6	473.9	577.0	583.6
Total operating expenditure	(3.2)	7.8	↓	●	674.9	682.7	828.6	824.2
Surplus/(deficit) from operations	2.2	0.5	↑	●	(208.4)	(208.9)	(251.6)	(240.6)
Income for capital projects	(0.1)	3.4	↑	●	621.9	618.5	693.7	243.0
Net surplus/(deficit) before tax	2.0	3.9	↑	●	413.6	409.7	442.1	2.4
Total capital expenditure	16.3	63.0	↓	●	888.1	951.1	1,103.5	719.8

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

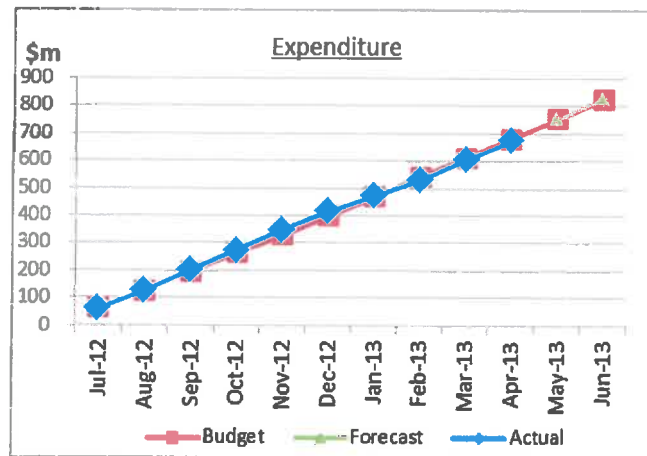


Total operating income year to date is \$7.3m net unfavourable to forecast. This is mainly due to:

- lower than forecast NZTA operational income \$12.5m due to lower expenditure than forecast (see below)

partly offset by:

- higher Auckland Council operational funding of \$5.8m received in April but forecast to be received in June.



Total operating expenditure year to date is below forecast by net \$7.8m mainly due to:

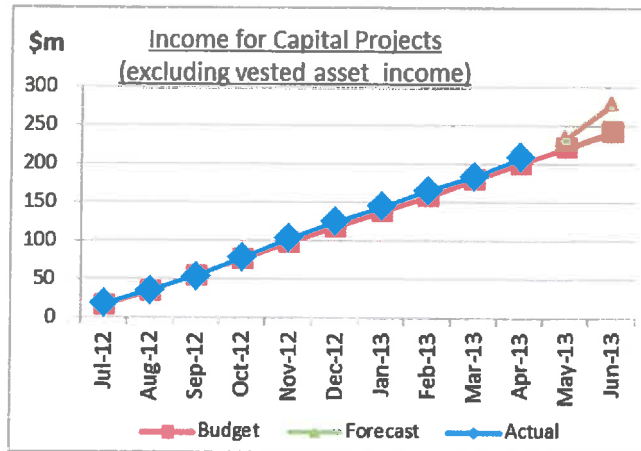
- \$3.3m favourable variance for derivatives mainly due to unrealised interest rate swap gain of \$4.8m partly offset by higher than forecast realised interest rate swap loss of \$1.4m
- \$7.1m favourable variance on professional services

Partly offset by:

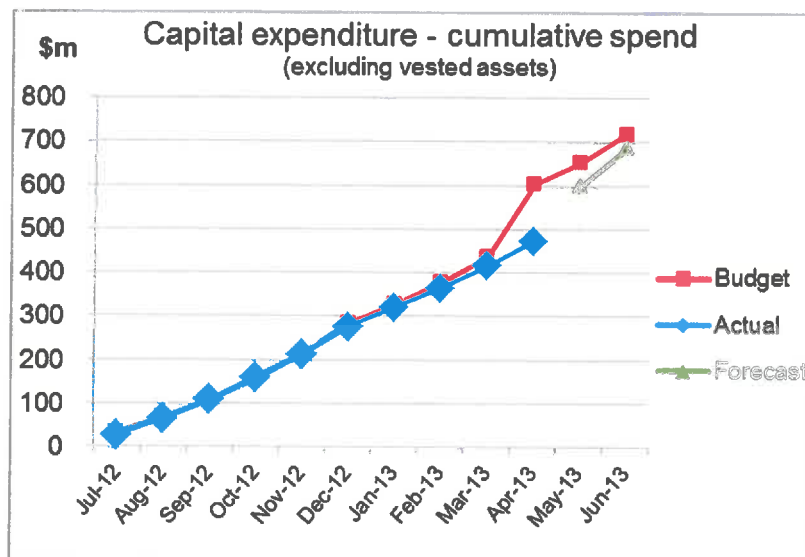
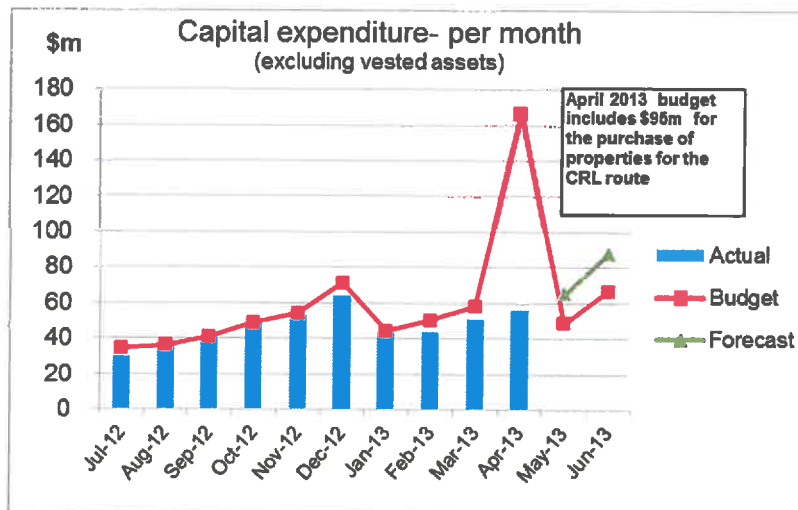
- \$2.3m higher than forecast depreciation and amortisation expense.

Net surplus before tax year to date is \$413.6m. This is \$3.9m favourable to forecast. The surplus includes the vested asset income of \$414.4m which was not in the budget but is reflected in the forecast. Excluding the favourable variance for Income for capital projects of \$3.4m there is a favourable variance of \$0.5m. This \$0.5m variance includes a \$3.3m favourable variance from derivatives which are in place for capital programmes partly offset by \$2.3m higher than forecast depreciation and amortisation expense.

After allowing for these capital and non cash items the net operating result YTD is unfavourable by \$0.6m. Our review of the full year position, despite some positive and negative movements to forecast, indicate we will achieve a result in line with the funding provided. This will require continued diligence in managing both revenue and expenditure in the remaining months.



Income for capital projects year to date is higher than forecast by \$3.4m due to higher than forecast NZTA capital funding.



Capital expenditure, excluding vested assets, year to date was \$473.6m, which is \$63.0m lower than forecast due to less expenditure on new capital of \$47.2m, renewal capital of \$9.5m and EMU project \$6.3m.

The capital budget is separated into a number of funding pools which do not allow for underspend to be managed within the dynamic programming adopted by AT. The most significant item impacting this is the CRL project. The funding for this project comes from a specific council source and so has no dynamic programme impact.

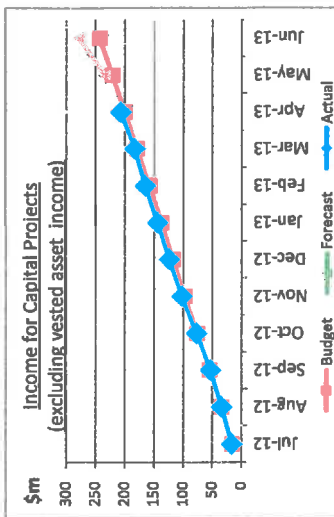
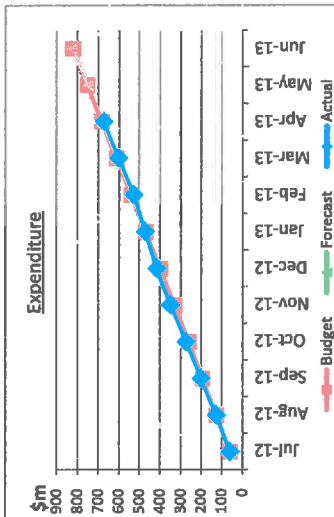
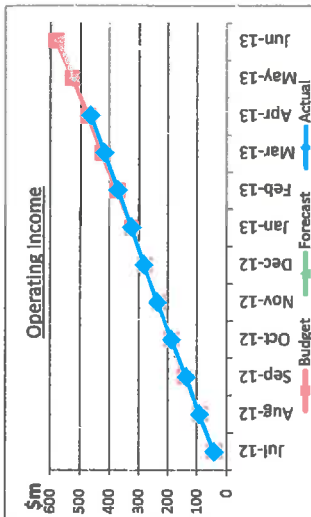
When considered in the context of the dynamic pool of funds, more works have been carried out due to more funding from NZTA than was budgeted. It is expected that the funds available for the dynamic programming pool will be slightly underspent and bringing forward some capital items from 2013/14 is currently being assessed.

The **asset position** is sound with net assets of \$14.1 billion at the end of April and cash flow funding arrangements are in place to ensure all liabilities can be met.

Section 2a - Statement of Financial Performance for the ten months ended 30 April 2013

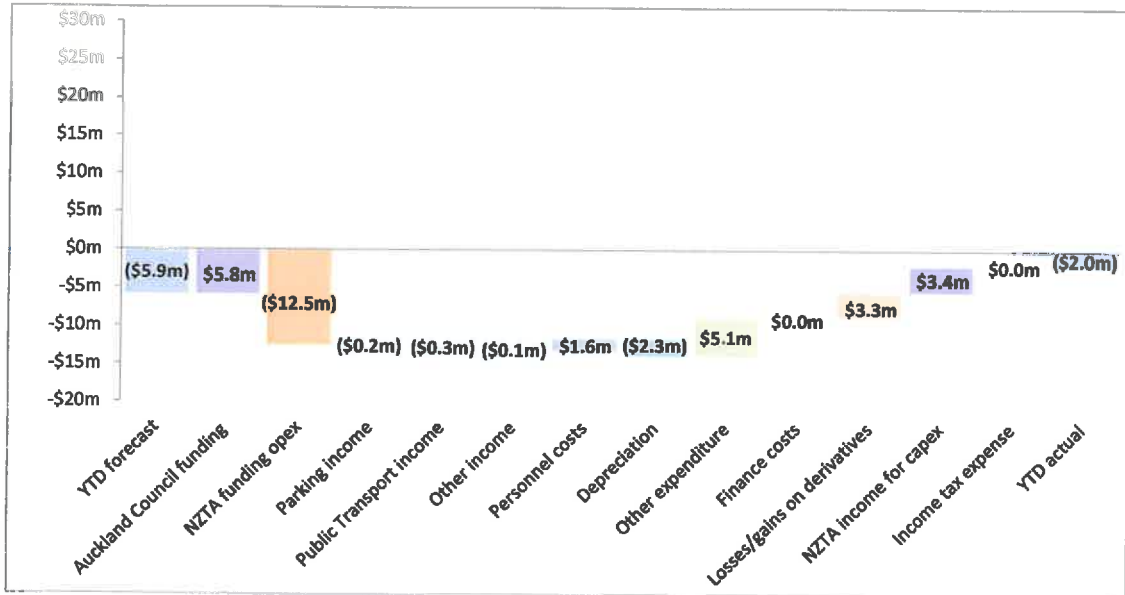
	Current month			Year to date			Full year			Results achieved
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	
Income										
Operating income										
Auckland Council funding	23,819	17,986	5,833	185,693	179,860	5,833	222,832	216,347	7,485	●
NZ Transport Agency	12,910	15,159	(2,249)	162,312	174,846	(12,534)	209,723	209,075	648	●
Parking and enforcement income	8,808	7,030	1,778	58,487	58,852	(165)	72,766	79,946	(7,180)	●
Public transport income	4,116	4,387	(271)	38,259	38,584	(325)	46,152	53,180	(7,028)	●
Other revenue including other grants and subsidies	2,132	1,866	266	21,815	21,944	(129)	25,530	26,078	(548)	●
Total operating income	51,785	46,428	5,357	466,566	473,886	(7,320)	577,003	583,626	(6,623)	●
Expenditure										
Personnel costs	8,737	8,570	(167)	78,938	79,894	956	97,604	95,710	(1,894)	●
Capitalised personnel costs	(2,226)	(1,981)	245	(18,172)	(18,560)	612	(22,609)	(26,310)	(3,701)	●
Depreciation and amortisation expense	21,097	20,783	(314)	206,219	203,955	(2,264)	245,822	240,615	(5,207)	●
Other expenses	40,243	39,962	(281)	396,929	404,061	5,132	492,721	501,965	9,244	●
Finance costs (Electric Trains)	816	840	24	6,704	6,734	30	9,947	12,261	2,314	●
Losses/(gains) on derivatives	2,705	-	(2,705)	3,324	6,652	3,328	5,109	-	(5,109)	●
Total operating expenditure	71,372	68,174	(3,198)	674,942	682,736	7,794	828,594	824,241	(4,353)	●
Profit/(loss) from Operations	(19,587)	(21,746)	2,159	(208,376)	(208,850)	474	(251,591)	(240,615)	(10,976)	●
Income for capital projects										
NZ Transport Agency	8,021	8,166	(145)	104,187	100,779	3,408	155,290	119,076	36,214	●
Auckland Council capital grant	10,329	10,329	-	103,291	103,291	-	123,949	123,949	-	●
Other capital grants	-	-	-	10	10	-	10	-	10	●
Vested asset income	-	-	-	414,443	414,443	-	414,443	-	414,443	●
Net surplus/(deficit) before tax	(1,237)	(3,251)	2,014	413,555	409,673	3,882	442,101	2,410	439,691	●
Income tax expense	-	-	-	1,125	1,125	-	1,125	-	(1,125)	●
Net surplus/(deficit) after tax	(1,237)	(3,251)	2,014	412,430	408,548	3,882	440,976	2,410	438,566	●

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

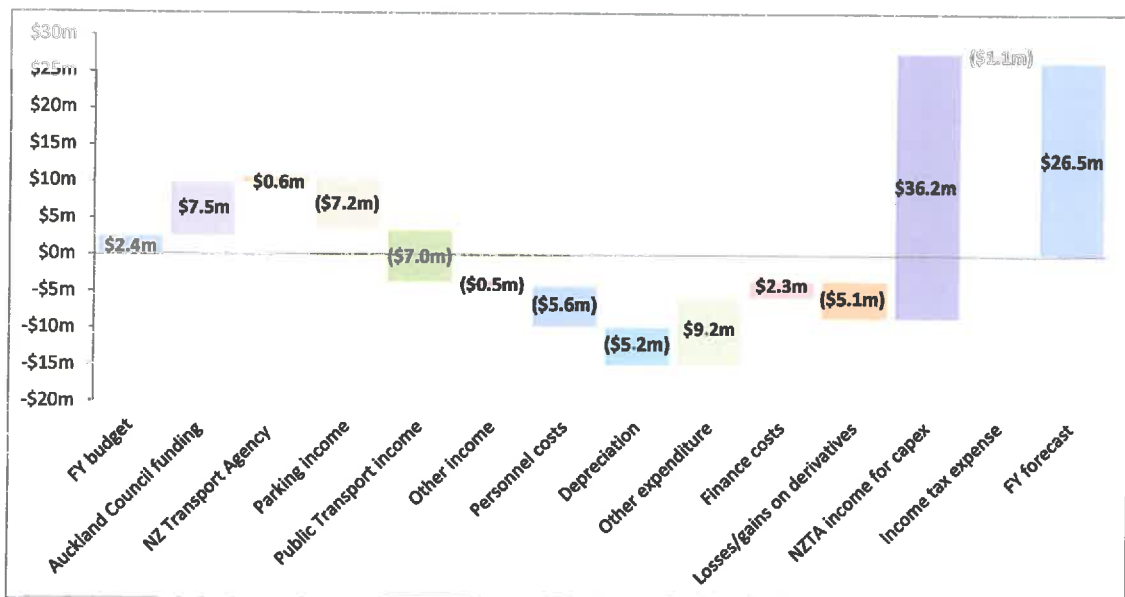


Section 2b - Net surplus/(deficit) waterfall

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 - Financial results by activity
For the ten months ended 30 April 2013**

Operational costs: (excluding income for capital projects)		Parking and Enforcement \$000	Public Transport \$000	Road Network \$000	Other \$000	Total \$000
YTD Actual/Forecast variance	Revenue - NZTA Revenue - Other Expenditure Net result	- (165) 1,644 1,479	1. (7,340) (325) 4,454 (3,211)	(3,531) (485) (5,479) (9,495)	(1,663) 4. 6,189 7,175 11,701	(12,534) 5,214 7,794 474
Capital Expenditure:						
YTD Actual/Forecast variance		914	37,942	24,871	(706)	63,021

1. Reduced NZTA income for Public Transport due to lower than budgeted expenditure on Public Transport facilities.
2. The favourable result for Public Transport of \$4.5m was due to lower than forecasted expenditure on Public Transport facilities \$6.0m, offset by additional depreciation of \$1.5m
3. Roading unfavourable expenditure variance of \$5.5m is mainly due to unbudgeted street maintenance costs transferred from Auckland Council. The intent is to minimise the impact of these through savings in other roading activities.
4. Other revenue includes \$5.8m additional operational funding from Auckland Council forecast to be received in June.
5. Other expenditure \$7.2m favourable variance includes \$3.3m for derivatives and \$3.9m lower than forecast costs for asset management and planning activities.

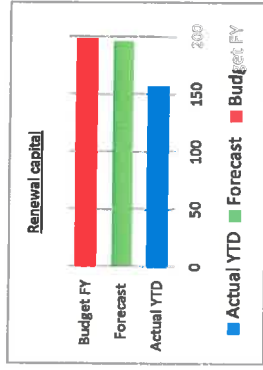
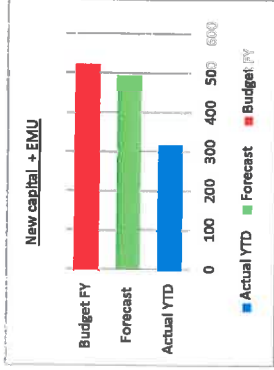
 : Largely on track
 : Monitoring/minor action taken
 : Action required/taken

Section 3a - Summary of Capital Expenditure for the ten months ended 30 April 2013 Split by activity

	Current month			Year to date			Full Year	
	Actual \$'000	Forecast \$'000	Variance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Forecast \$'000	Budget \$'000
New capital expenditure	31,485	42,900	11,415	244,853	292,013	47,160	398,081	425,324
Parking operations	200	468	268	2,011	2,367	356	3,622	5,229
Public transport	11,159	16,568	5,399	66,184	95,939	29,755	127,962	163,945
Roads	19,453	25,532	6,079	170,832	188,587	17,755	259,638	248,594
Other	873	341	(532)	5,826	5,120	(706)	6,839	7,556
Total new capital	31,485	42,900	11,415	244,853	292,013	47,160	398,081	425,324
Renewal capital expenditure								
Parking operations	33	438	405	441	989	558	4,626	6,225
Public transport	470	904	434	3,034	4,900	1,866	11,328	10,223
Roads	17,908	14,957	(2,951)	153,800	160,716	7,116	180,137	181,662
Other	-	-	-	-	-	-	-	-
Total renewal	18,411	16,289	(2,122)	157,075	166,615	9,540	196,091	198,110
Electric motor units (EMUs)								
Procurement	363	8,990	8,617	29,181	38,251	9,070	43,829	44,080
Depot	6,105	4,472	(1,633)	42,507	39,758	(2,749)	51,110	52,263
Total EMUs	6,468	13,462	6,984	71,688	78,009	6,321	94,939	96,343
Total direct capital	56,364	72,651	16,287	473,616	536,637	63,021	689,091	719,777
Vested assets	-	-	-	414,443	414,443	-	414,443	-
Total capital	56,364	72,651	16,287	888,059	951,080	63,021	1,103,534	719,777

Notes: (Year to date)

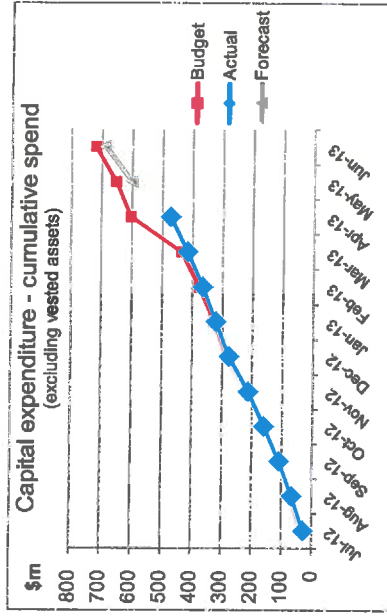
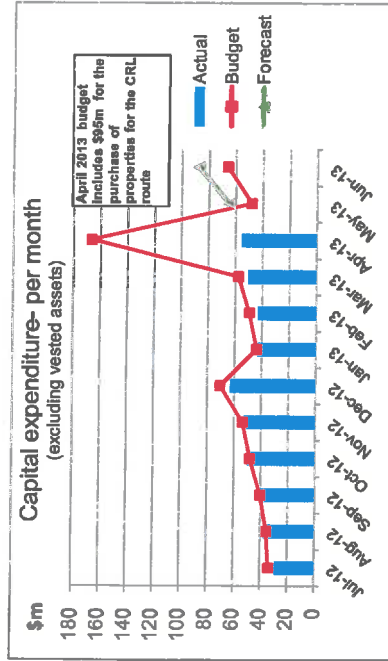
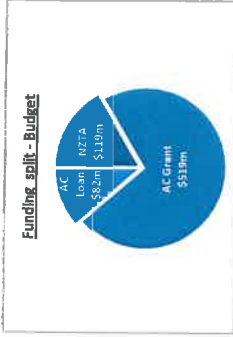
- \$29.8m favourable variance in public transport is mainly due to AIFS project (\$14.0m, delay), Manukau Transport Interchange project (\$3.1m, Mainzeal going into receivership), and CRL project (\$11.1m is the result of a delay in property purchases).
- \$17.8m favourable variance in roads is mainly due to AMETI project (\$7.8m, due to delay in construction), Taharoto-Wairau Stage 6 and 8 (0.9m, piling being particularly hard now has finished), Westgate Pedestrian/Cycle Bridge (\$0.8m, delay in construction), and Albany Hwy upgrade (\$0.7m, specific delay on Kristin School works).
- \$0.7m unfavourable variance in others is mainly due to overspending on IT Programme (higher number of users than expected and new initiatives e.g. AIFS absorbed by IT).
- \$0.6m favourable variance in parking renewals due to spend on off-street AT grade and Manukau carparks and carpark building renewals (mainly Fanshawe Street) have been delayed.
- \$1.9m favourable variance in public transport renewal is mainly due to \$1.0m underspend on rolling stock renewals, \$0.6m underspend on ferry terminal renewals, and \$0.2m underspend on Britomart Rail Station renewals.
- \$7.1m Road renewals under forecast relates mainly to expenditure in the Central and South areas for pavement rehabilitation works, as priority was given to Reconstruction projects. However, all rehabilitation projects will be delivered by June 2013.
- \$9.1m underspend in EMU procurement is due to reschedule of manufacturing payment, there is no effect on overall programme.
- \$2.8 unfavourable variance in EMU Depot is due to some construction costs are ahead of schedule, there is no effect on overall programme.



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

Section 3b - Capital Expenditure Funding for the ten months ended 30 April 2013

Funding	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
NZTA - new capital	4,421	7,172	(2,751)	54,680	55,751	(1,071)	108,120	89,875	19,245
NZTA - renewal capital	3,600	994	2,606	49,507	45,028	4,479	46,170	29,201	16,969
Other grants and subsidies	-	-	-	10	10	-	10	-	10
Auckland Council funding (Non EMU)	41,875	51,033	(9,158)	287,731	357,839	(60,108)	436,852	519,011	(80,159)
Auckland Council loan (EMU)	6,468	13,452	(6,984)	71,668	78,009	(6,321)	94,938	81,660	13,249
Vested assets	-	-	-	414,443	414,443	-	414,443	-	414,443
Total funding	56,364	72,651	(16,287)	888,059	951,060	(63,021)	1,103,534	719,777	383,757



**Section 4a - Statement of Financial Position
As at 30 April 2013**

	Note	Actual 30 April 2013 \$000	Actual 31 March 2013 \$000
Assets			
Current assets			
Cash and cash equivalents	1	21,614	55,027
Trade and other receivables	2	120,849	106,387
Inventories		4,922	5,075
Other assets		8,764	12,476
Total current assets		156,149	178,965
Non-current assets			
Property, plant and equipment - assets		13,693,839	13,668,721
Property, plant and equipment - work-in-progress		533,439	526,395
Intangible assets		65,356	64,443
Amounts due from related parties		46,000	46,000
Other non-current assets		28,456	28,456
Total non-current assets		14,367,090	14,334,015
Total assets		14,523,239	14,512,980
Liabilities			
Current liabilities			
Derivative financial instruments	3	15,119	11,374
Trade and other payables	4	133,368	149,008
Employee benefit liabilities	5	10,476	9,449
Borrowings	6	1,063	1,054
Total current liabilities		160,026	170,885
Non-current liabilities			
Derivative financial instruments	3	60,628	53,932
Employee benefit liabilities	5	900	900
Borrowings	6	199,382	198,944
Deferred tax liability	7	12,145	12,145
Total non-current liabilities		273,055	265,921
Total liabilities		433,081	436,806
Net assets		14,090,158	14,076,174
Equity			
Contributed equity		12,728,037	12,705,083
Retained earnings/(losses)		261,618	262,852
Reserves		1,100,503	1,108,239
Total equity		14,090,158	14,076,174

**Section 4b - Notes to the Financial Statements
As at 30 April 2013**

	Actual 30 April 2013 \$000	Actual 31 March 2013 \$000
1 Cash and cash equivalents		
Cash at bank - Trading	6,419	3,579
Cash at bank - AIFS	1,422	1,244
Till floats	191	191
Cash investment with Auckland Council	13,582	50,013
Total cash and cash equivalents	21,614	55,027

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

Auckland Transport operates a restricted bank account for Auckland Integrated Fares System (AIFS). This account is used for the deposit of unused stored value on AT HOP cards and is therefore considered restricted funds.

2 Trade and other receivables

Trade debtors	2,766	2,609
Infringements receivable	15,300	13,934
Amounts due from related parties	72,801	65,391
Accrued income	23,528	25,663
Goods and services tax	7,199	(465)
	121,594	107,132
Less provision for impairment of receivables	(745)	(745)
Total trade and other receivables	120,849	106,387

The carrying value of debtors and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables as there are a large number of customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

The ageing profile of receivables at 30 April 2013 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	102,864	-	102,864
Past due 1 - 30 days	-	-	-
Past due 31 - 60 days	1,941	-	1,941
Past due 61 - 90 days	1,595	-	1,595
Past due > 90 days	15,194	(745)	14,449
	121,594	(745)	120,849

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

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

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

	Actual \$000
At 1 July 2012	792
Additional provisions made	75
Provisions reversed	(122)
Receivables written-off	-
At 30 April 2013	745

**Section 4b - Notes to the Financial Statements
As at 30 April 2013**

	Actual 30 April 2013 \$000	Actual 31 March 2013 \$000
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3 Derivative financial instruments

Current liability portion

Forward foreign exchange contracts - cash flow hedges	14,833	11,091
Forward foreign exchange contracts - not hedge accounted	286	283
Current derivative financial instruments	15,119	11,374

Non-current liability portion

Interest rate swaps - cash flow hedges	29,259	26,557
Forward foreign exchange contracts - cash flow hedges	31,369	27,375
Non-current derivative financial instruments	60,628	53,932

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 \$861k. The foreign currency principal amount was EUR 375k. The loss on their revaluation of \$286k has been recorded in the Statement of Financial Performance.

Forward foreign exchange contracts - hedge accounted

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$345m. The foreign currency principal amount was USD \$245m. These cash flow hedges have been accounted for as effective and the loss of \$46m 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 \$377m. At 30 April 2013 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.02% to 5.4%.

4 Trade and other payables

Creditors	13,967	30,974
Accrued expenses	96,467	94,558
Retentions	7,003	7,282
Amounts due to related parties	12,980	13,797
Income in advance	2,951	2,397
	133,368	149,008

Creditors and other payables are non-interest bearing and are normally settled on 20-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

**Section 4b - Notes to the Financial Statements
As at 30 April 2013**

	Actual 30 April 2013 \$000	Actual 31 March 2013 \$000
5 Employee benefit liabilities		
Current portion		
Accrued salaries and wages	4,192	3,425
Accrued leave	6,284	6,024
Current employee benefit liabilities	10,476	9,449
Non-current portion		
Retirement gratuities	383	383
Long service leave	517	517
Non-current employee benefit liabilities	900	900

6 Borrowings

Current portion		
Loans from Auckland Council	1,063	1,054
Current borrowings	1,063	1,054
Non-current portion		
Loans from Auckland Council	198,797	198,866
Finance Leases	585	78
Non-current borrowings	199,382	198,944
Weighted average cost of funds on total borrowings	5.37%	5.37%

Auckland Transport's loan debt of \$199,860,766 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

				Actual 30 April 2013
	Property, plant and equipment	Other provisions	Tax losses	Total
	\$000	\$000	\$000	\$000
Deferred tax liability				
Balance at 1 July 2012	(11,020)	-	-	(11,020)
Charged to profit and loss	(1,125)	-	-	(1,125)
Charged to equity	-	-	-	-
Balance at 30 April 2013	(12,145)	-	-	(12,145)

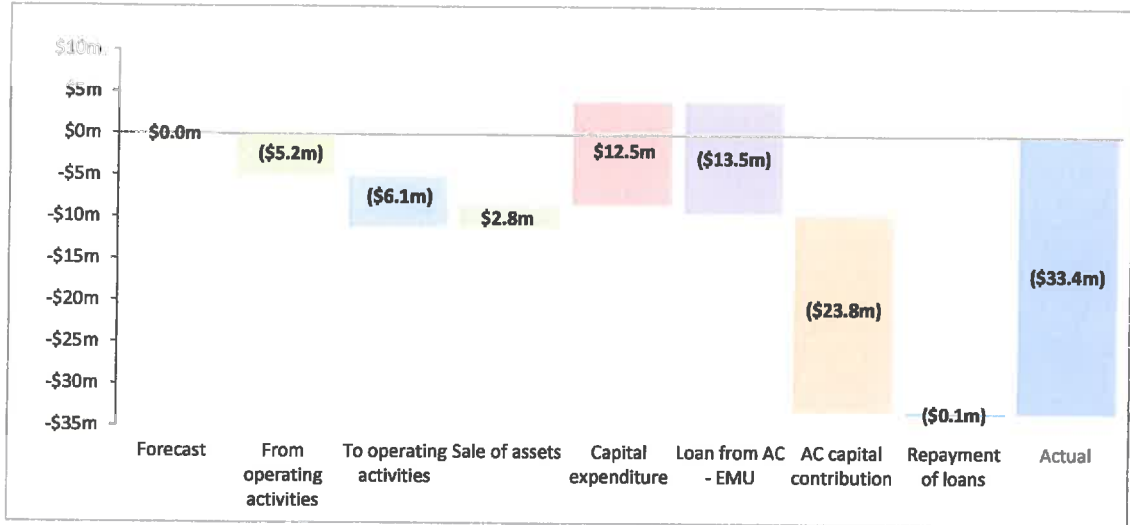
Section 5a - Cash Flow Rolling Forecast as at 30 April 2013

	Current month		Forecast rolling 3 months		
	Actual \$000	Forecast \$000	Forecast Apr 2013 \$000	Forecast May 2013 \$000	Forecast Jun 2013 \$000
Cash flows from operating activities					
Total cash provided	59,744	64,923	64,923	64,923	64,923
Cash applied to:					
Payments to suppliers, employees and directors	51,886	45,588	45,588	50,223	51,138
Interest paid	673	840	840	844	847
Total cash applied	52,559	46,428	46,428	51,067	51,985
Net cash from operating activities	7,185	18,495	18,495	29,730	45,439
Cash flows from investing activities					
Cash provided from:					
Sale of property, plant and equipment	2,750	-	-	-	-
Total cash provided	2,750	-	-	-	-
Cash applied to:					
Capital expenditure projects	60,354	72,860	72,651	64,837	87,618
Total cash applied	60,354	72,860	72,651	64,837	87,618
Net cash from investing activities	(57,604)	(72,860)	(72,651)	(64,837)	(87,618)
Cash flows from financing activities					
Cash provided from:					
Loan from Auckland Council - EMU	-	13,452	13,451	4,025	12,906
Capital contribution from Auckland Council	17,121	40,913	40,705	31,082	29,273
Total cash provided	17,121	54,365	54,156	35,107	42,179
Cash applied to:					
Repayments of EMU loan from Auckland Council	59	-	-	-	-
Repayments of finance lease principal	56	-	-	-	-
Total cash provided	115	-	-	-	-
Net cash from financing activities	17,006	54,365	54,156	35,107	42,179
Net (decrease)/increase in cash and cash equivalents	(33,413)	-	-	-	-
Opening cash balance	55,027	-	-	-	-
Closing cash balance	21,614	-	-	-	-

	Current month
Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
Surplus/(deficit) after tax	\$000 (1,237)
Add/(less) non cash items	
Vested asset	-
Depreciation and amortisation	21,097
Loss in fair value of derivatives	2,705
Loss on disposal of asset	-
Write off of fixed assets	477
Total	24,279
Add/(less) movements in working capital	
Decrease/(Increase) in trade and other receivables	(4,917)
Decrease/(Increase) in inventories	153
(Decrease)/Increase in accounts payable and accruals	(12,494)
(Decrease)/Increase in employee benefits payable	1,027
(Decrease)/Increase in other liabilities	374
Total	(15,857)
Net cash flow from operating activities	7,185

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 30 April has 88.5% of adjusted Debtors in 30 and 60 days.

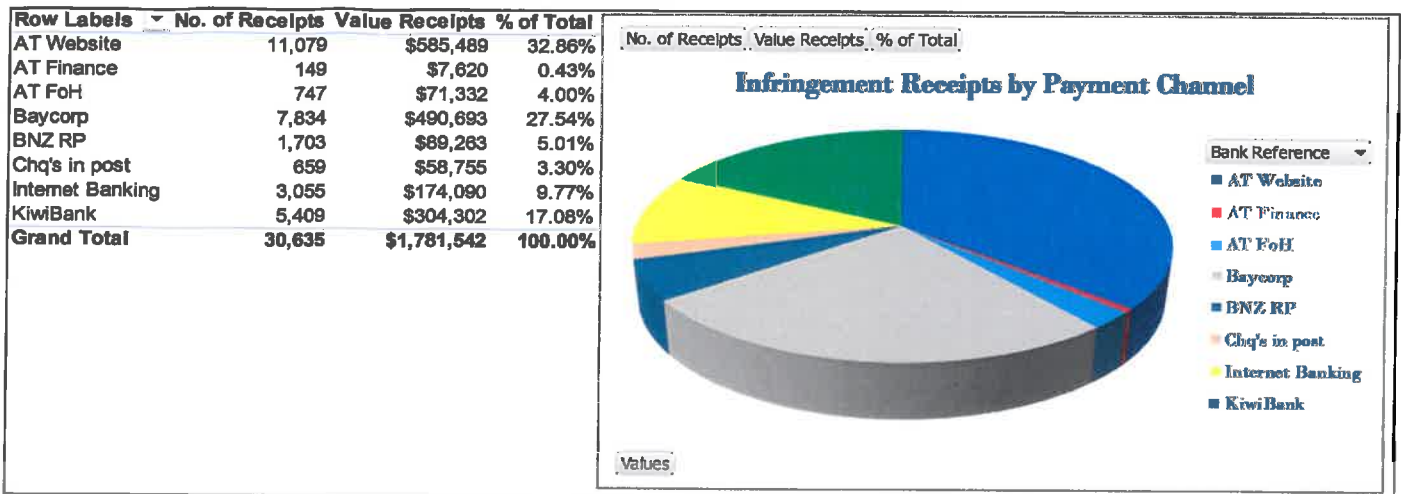
Debtors Ageing Analysis as at 30 April 2013

<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>
Debtors Ageing 30 Apr	145	4,938,259	3,212,010	47,238	97,141	88,435	1,493,435	
		100.0%	65.0%	1.0%	2.0%	1.8%	30.2%	
O/s Related Parties	na	2,171,903	2,063,049	1,085	17,311	36,183	54,275	1
Trade Debtors	88	2,766,356	1,148,961	46,153	79,830	52,252	1,439,160	
		100.0%	41.5%	1.7%	2.9%	1.9%	52.0%	
Debtors Paid to AC	170	767	0	0	0	0	767	2
Queried Invoices	224	294,398	95,221	13,513	26,668	6,487	152,508	3
Cell Sites - Property	395	1,187,026	0	0	0	0	1,187,026	4
To Baycorp (Collection)	396	14,121	0	0	156	964	13,001	5
Payment Arrangement	102	1,333	0	988	0	0	345	6
Lodged Courts (Damages)	94	91,831	40,068	3,090	27,751	3,000	17,922	7
Adjusted Debtors	N/a	1,176,882	1,013,672	28,562	25,255	41,801	67,592	
		100.0%	86.1%	2.4%	2.1%	3.6%	5.7%	

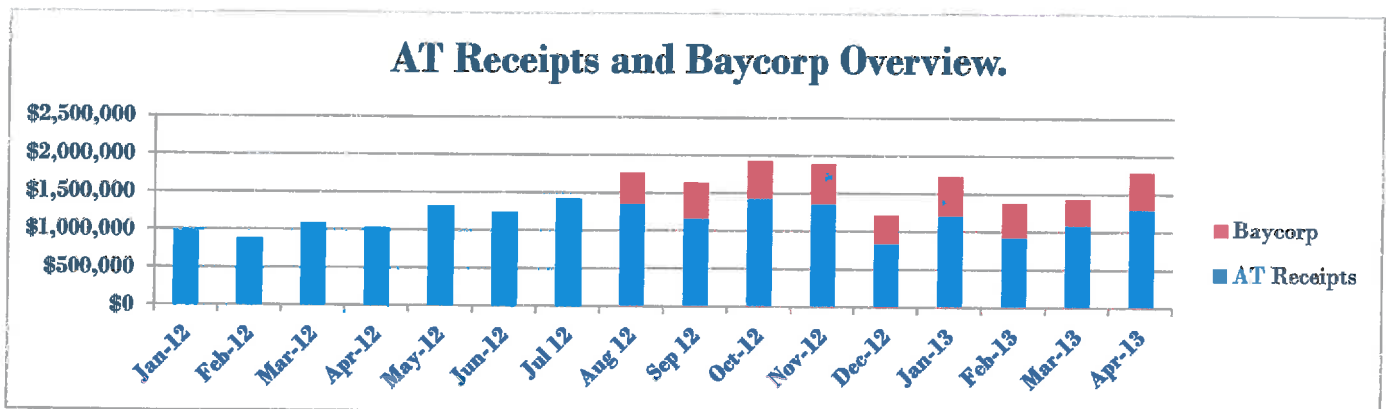
- 1 - This section relates to amounts owed by related parties (inter-company).
- 2 - This is a debtor who paid AC in error. We are working with AC to rectify this problem.
- 3 - A number of invoices have been queried by the Debtors concerned and we are working **with** them and the relevant Departments in an effort to resolve these queries. The bulk of the outstanding amount is made up of 2 invoices totalling \$174k (\$85k 120+ days and \$88k current). Finance are in constant contact with the business in an effort to resolve these queries.
- 4 - Property are currently working to resolve on-going issues around outstanding amounts relating to rental of cell sites. An amount of \$788,791 was impaired at 30 June as they were considered doubtful. This has been revised down to \$711k. An additional \$476k of unpaid invoices have been included here as they remain unpaid while the original issue is being resolved. This matter is receiving urgent attention by Property.
- 5 - These are amounts which may be written off in the future. All amounts written off are approved by the CFO in accordance with accepted practice. A number of Debtors have been handed over to Baycorp for collection.
- 6 - We have agreed payment terms with a few slow paying Debtors rather than handing them over to Baycorp. These are closely monitored to ensure that payments are received on agreed dates. A number of these were paid up during the last month.
- 7 - 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

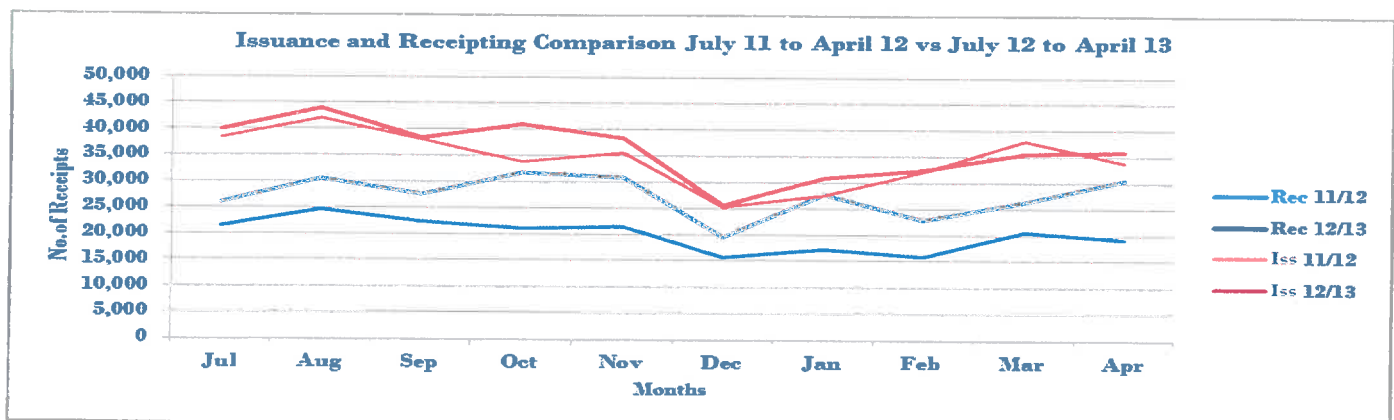
April receipts are 15.5% up on March with 20 receipting days in both months.



The overview above of customer payment channels has once again changed in April. Baycorp have again increased their collection value to 28% and received 26% of receipts volume, up from 15% in March. The AT Website in contrast, received 36% of the receipts volume in April compared with 47% in March, while collection value remained static. The number of customers making use of KiwiBank has dropped while customers paying via Internet Banking has increased. Council's FoH operations received 2% of volume and 4% of value.






The following graph clearly illustrates how effective the collection process has been over the past 10 months. This graph does not include any recoveries through MOJ. While the issuance for the same periods over the past 2 years have definitive trends (2 red lines), the collection process has clearly increased over the same period, with April's collections very close to issuance. Over the two periods shown, issuance has increased by 5% between 11/12 and 12/13 while collections have increased 37% from 11/12 to 12/13.



Recommendation

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

Prepared by	Katy Wang Planning and Reporting Accountant Susan Cairns Senior Financial Reporting Accountant	 
Recommended by	Julian Michael Financial Reporting Manager Stephen Smith Finance Manager	 
Approved for submission	David Foster Chief Financial Officer	