

# Financial Results for the Two Months Ended 31 August 2014

This report summarises the Auckland Transport financial results for the two months ended 31 August 2014.

## Recommendation

That the board:

- i. Receive the report

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## Executive Summary

### Financial Results for the two months ended 31 August 2014:

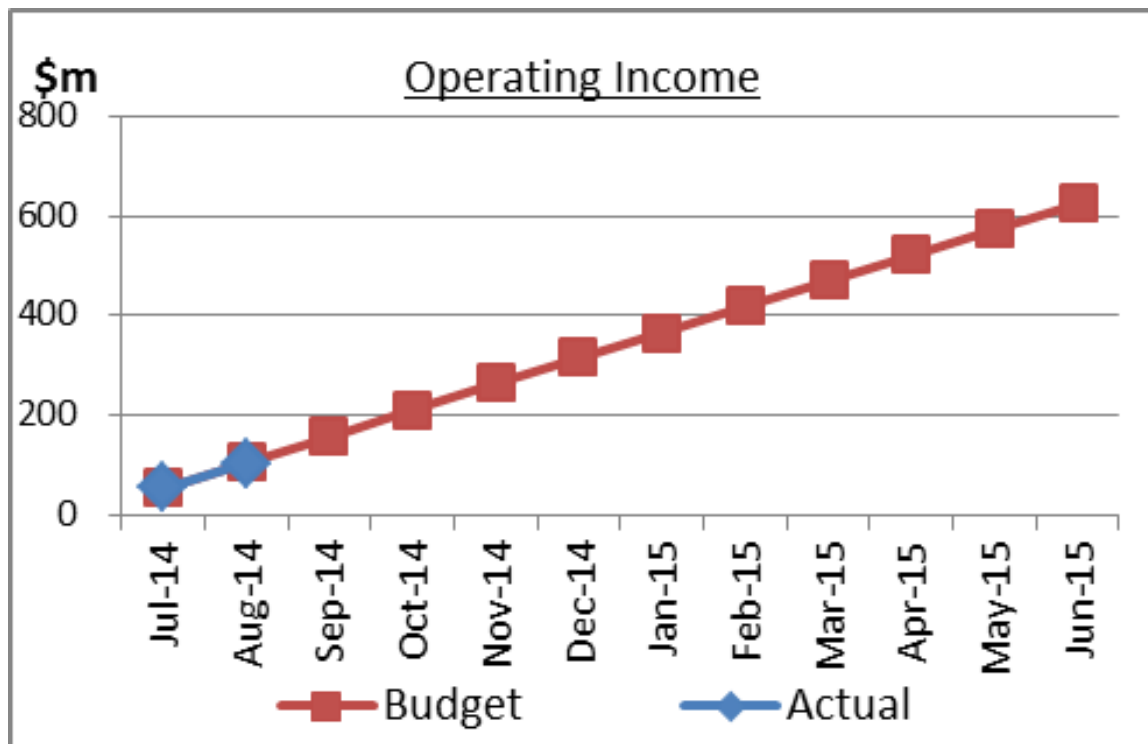
	Current month variance to budget \$m	Year to date variance to budget \$m	Year to date results	Year to date Actual \$m	Year to date budget \$m	Full Year Budget \$m
Total operating income	(2.1)	(1.6)	↓ ●	103.2	104.7	624.6
Total operating expenditure	0.3	(2.1)	↑ ●	147.5	145.5	912.0
Surplus/(deficit) from operations	(1.8)	(3.7)	↓ ●	(44.4)	(40.7)	(287.4)
Income for capital projects	(3.5)	(5.1)	↓ ●	36.6	41.7	316.4
Net surplus/(deficit) before tax	(5.3)	(8.7)	↓ ●	(7.7)	1.0	29.0

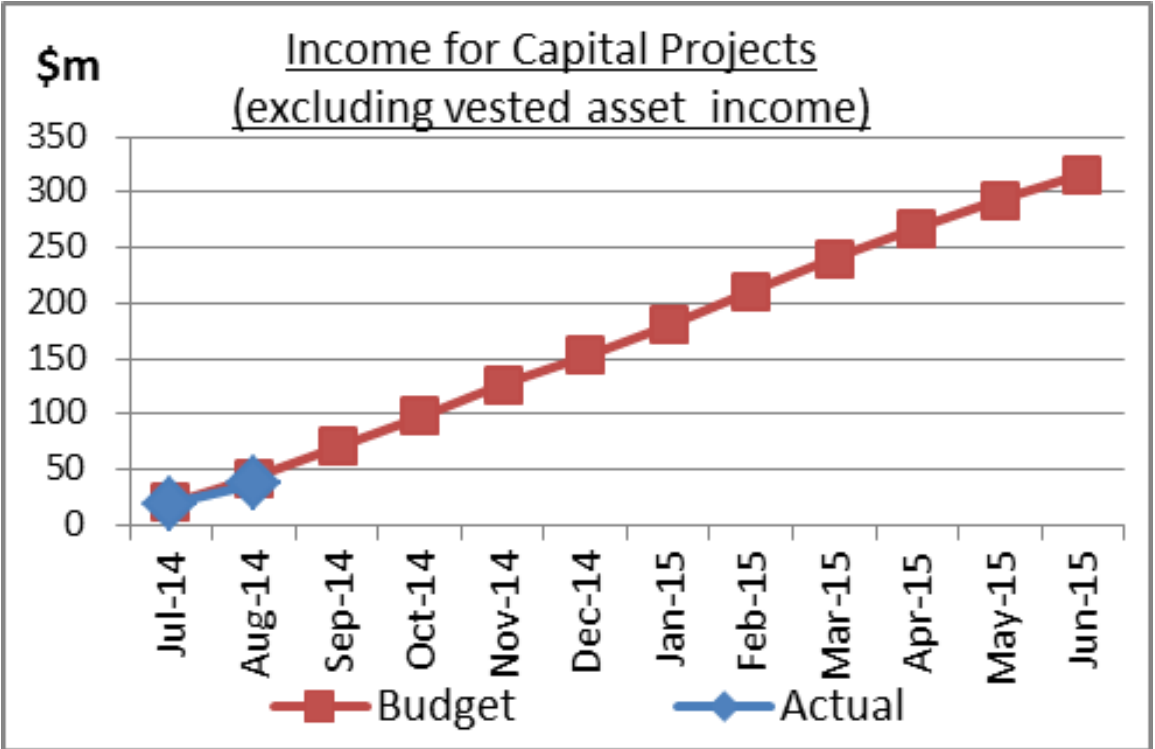
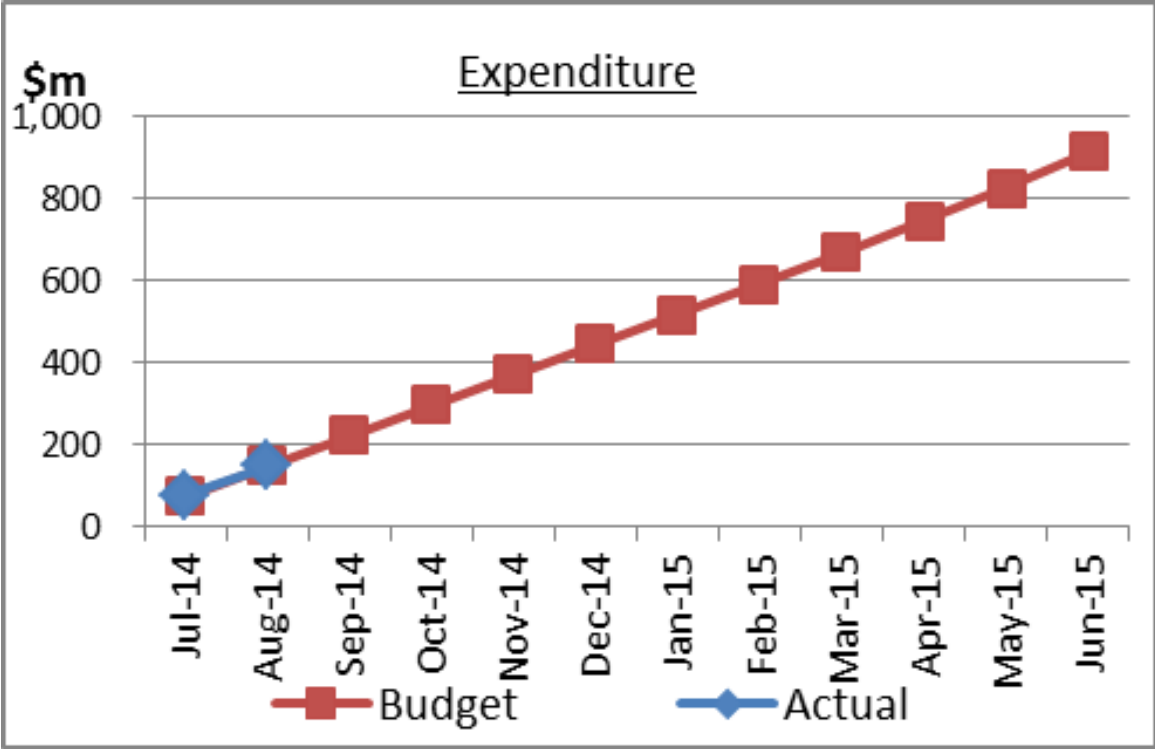
  

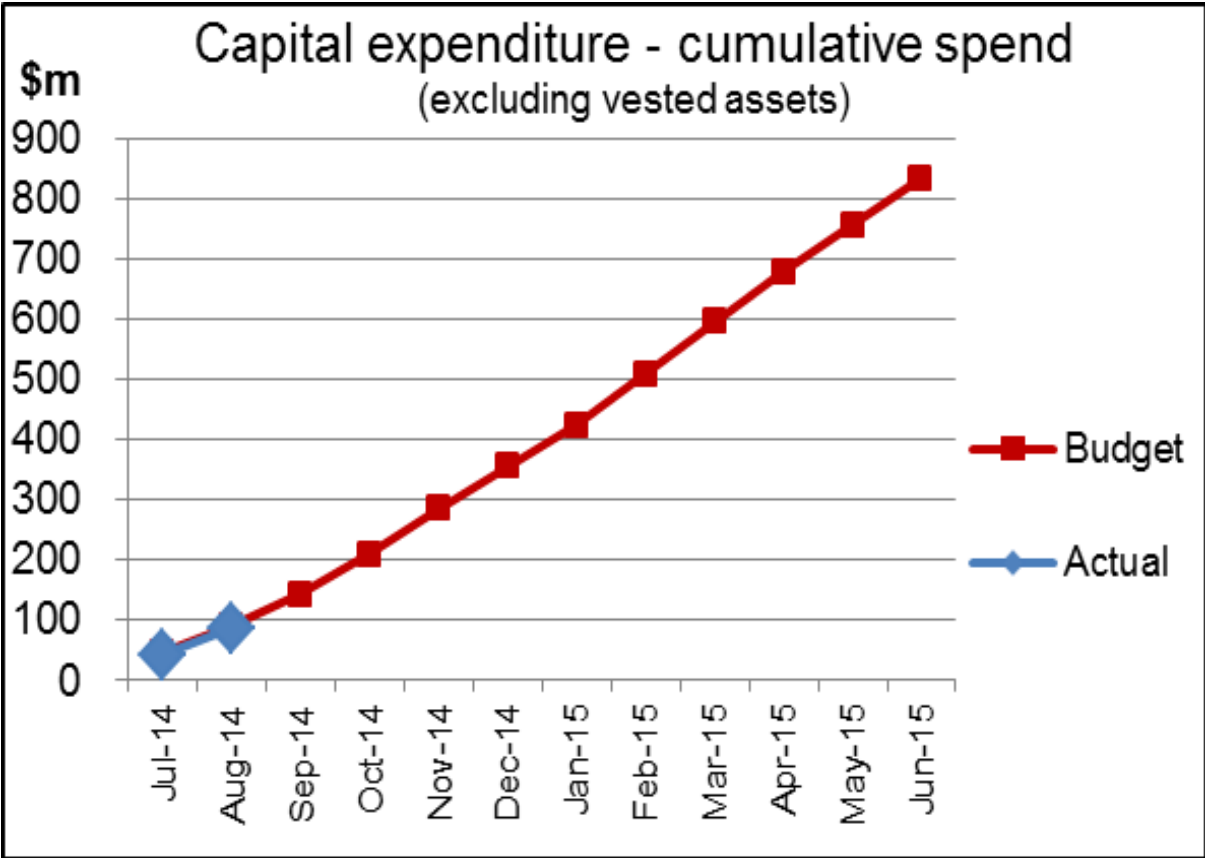
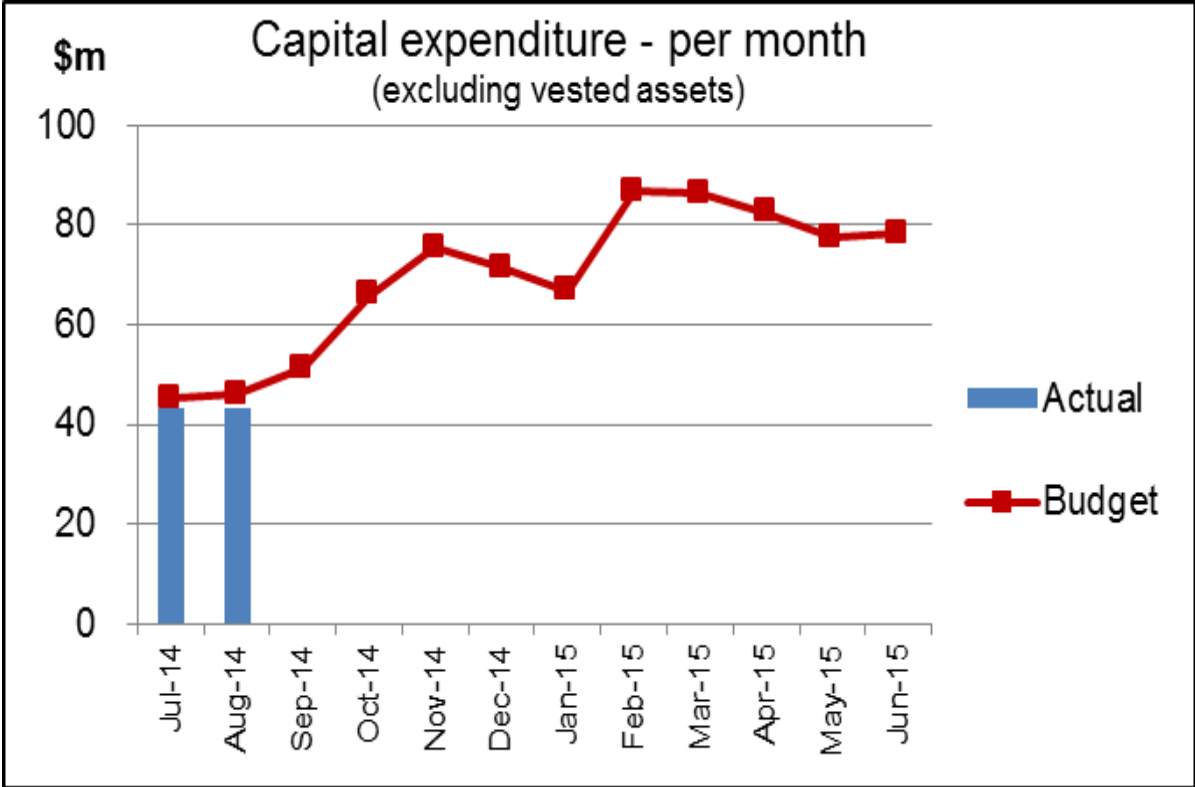
Total direct capital	2.9	4.9	↓ ●	86.4	91.2	833.0
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#### Key to symbols used:

↔	: Within tolerable range	↑	: Above budget, favourable variance.
↓	: Below budget, unfavourable variance.	●	: Achieved budget or better
↓	: Below budget, favourable variance.	●	: Monitoring, some action taken
↑	: Above budget, unfavourable variance.	●	: Action required





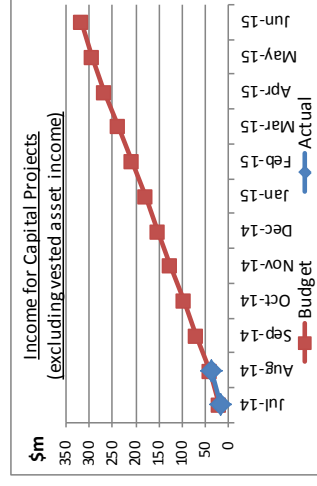
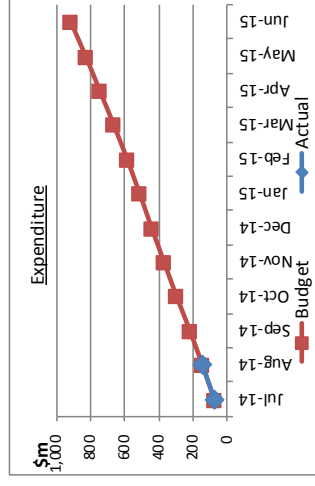
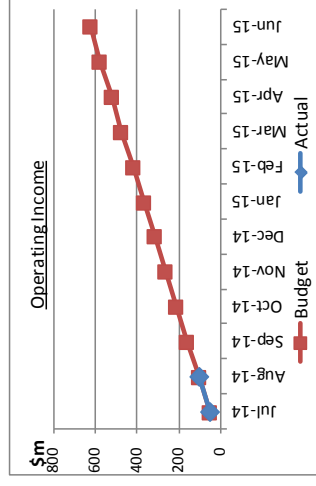


## Section 2a – Financial Results for the two months ended 31 August 2014

Income	Current month			Year to date			Full year
	Actual \$'000	Budget \$'000	Variance \$'000	Actual \$'000	Budget \$'000	Variance \$'000	
<b>Operating income</b>							
Auckland Council funding	19,632	19,632	-	39,264	39,264	-	●
NZ Transport Agency	18,185	19,242	(1,057)	36,517	38,293	(1,776)	●
Parking and enforcement income	5,785	6,955	(1,170)	12,566	13,520	(954)	●
Public transport income	5,119	4,551	568	10,783	9,704	1,079	●
Other revenue including other grants and subsidies	1,410	1,816	(406)	4,027	3,958	69	●
<b>Total operating income</b>	<b>50,131</b>	<b>52,196</b>	<b>(2,065)</b>	<b>103,157</b>	<b>104,739</b>	<b>(1,582)</b>	●
<b>Expenditure</b>							
Personnel costs	10,006	10,030	24	20,740	20,869	129	●
Capitalised personnel costs	(2,349)	(2,405)	(56)	(4,230)	(5,063)	(823)	●
Depreciation and amortisation expense *	22,699	22,922	223	46,113	45,088	(1,025)	●
Other expenses	40,564	40,534	30	81,537	80,970	(567)	●
Finance costs (Electric Trains)	1,722	1,825	103	3,362	3,580	218	●
<b>Total operating expenditure</b>	<b>72,632</b>	<b>72,906</b>	<b>274</b>	<b>147,522</b>	<b>145,454</b>	<b>(2,068)</b>	●
<b>Surplus/(deficit) from Operations</b>	<b>(22,501)</b>	<b>(20,710)</b>	<b>(1,791)</b>	<b>(44,365)</b>	<b>(40,715)</b>	<b>(3,650)</b>	●
<b>Income for capital projects</b>							
NZ Transport Agency	7,141	10,629	(3,488)	14,209	19,264	(5,055)	●
Auckland Council capital grant	11,208	11,208	-	22,417	22,417	-	●
Other capital grants	-	-	-	-	-	-	-
Vested asset income	-	-	-	2	-	2	●
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>(4,152)</b>	<b>1,127</b>	<b>(5,279)</b>	<b>(7,737)</b>	<b>966</b>	<b>(8,703)</b>	●
Losses/(gains) on derivatives	3,086	-	(3,086)	4,869	-	(4,869)	●
Income tax expense/(benefit)	-	-	-	-	-	-	-
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>(7,238)</b>	<b>1,127</b>	<b>(8,365)</b>	<b>(12,606)</b>	<b>966</b>	<b>(13,572)</b>	●

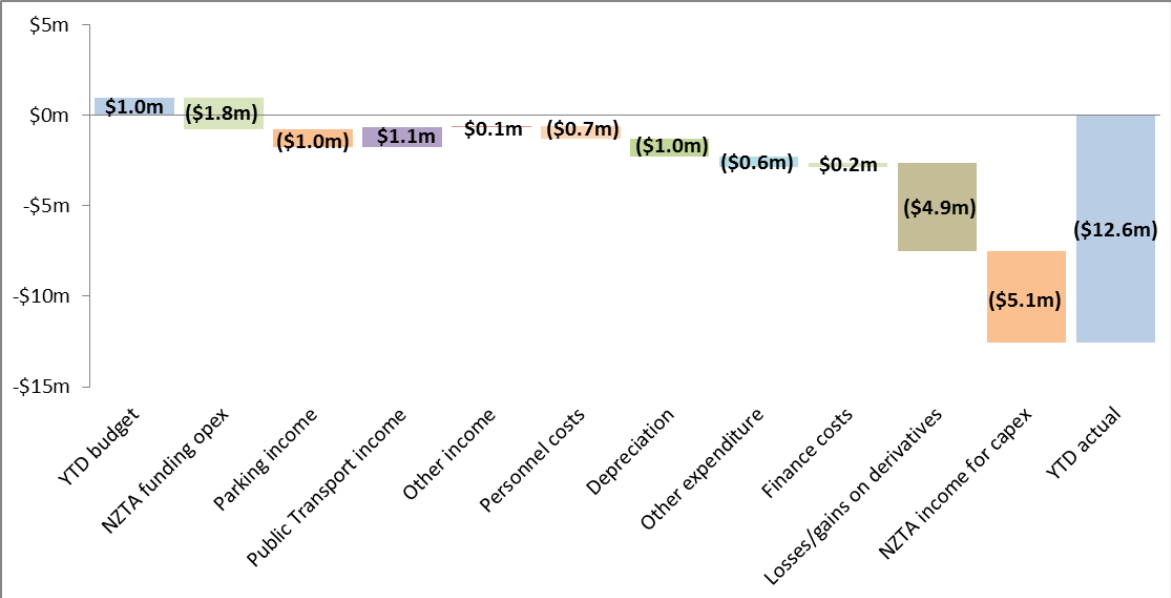
\* The budget for depreciation and amortisation expense is based on AT's current assumptions, and differs from the SOI planned depreciation and amortisation expense of \$266m.

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



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

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	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income e</b>							
Rail	8,923	8,700	223	18,116	17,677	439	104,337
Bus	7,991	7,651	340	16,064	15,768	296	97,222
Ferry	974	708	266	1,912	1,675	237	10,634
Other Public Transport	2,033	2,390	(357)	4,268	4,660	(392)	28,327
Parking	3,308	3,611	(303)	6,594	7,123	(529)	42,036
Enforcement	2,477	3,344	(867)	5,972	6,397	(425)	37,666
Roading and footpaths	3,699	4,494	(795)	8,023	8,595	(572)	45,852
Internal support	1,094	1,666	(572)	2,944	3,580	(636)	22,966
Auckland Council operating funding	19,632	19,632	-	39,264	39,264	-	235,583
<b>Total operating income</b>	<b>50,131</b>	<b>52,196</b>	<b>(2,065)</b>	<b>103,157</b>	<b>104,739</b>	<b>(1,582)</b>	<b>624,623</b>
<b>Operating Expenditure</b>							
Rail	13,111	12,895	(216)	26,537	26,252	(285)	154,217
Bus	13,591	13,242	(349)	27,138	26,853	(285)	167,687
Ferry	1,326	1,202	(124)	2,719	2,713	(6)	16,656
Other Public Transport	2,881	3,426	545	6,226	6,636	410	43,393
Parking	1,406	1,142	(264)	2,470	2,411	(59)	14,470
Enforcement	1,498	1,451	(47)	3,105	3,387	282	19,860
Roading and footpaths	9,817	9,955	138	19,833	18,804	(1,029)	116,184
Internal support	6,305	6,671	366	13,381	13,311	(70)	88,646
Depreciation *	22,697	22,922	225	46,113	45,087	(1,026)	290,927
<b>Total operating expenditure</b>	<b>72,632</b>	<b>72,906</b>	<b>274</b>	<b>147,522</b>	<b>145,454</b>	<b>(2,068)</b>	<b>912,040</b>
<b>Profit/(loss) from Operations</b>	<b>(22,501)</b>	<b>(20,710)</b>	<b>(1,791)</b>	<b>(44,365)</b>	<b>(40,715)</b>	<b>(3,650)</b>	<b>(287,417)</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	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income e</b>							
Activity Income	2,989	2,817	172	6,129	5,640	489	32,161
Other income	87	54	33	188	109	79	1,460
NZTA operating subsidy	4,690	4,684	6	9,510	9,645	(135)	53,174
NZTA operating subsidy - Electric Trains	1,157	1,145	12	2,289	2,283	6	17,542
<b>Total operating income</b>	<b>8,923</b>	<b>8,700</b>	<b>223</b>	<b>18,116</b>	<b>17,677</b>	<b>439</b>	<b>104,337</b>
<b>Operating Expenditure</b>							
Personnel costs	203	195	(8)	473	403	(70)	2,427
Capitalised personnel costs	-	12	12	5	2	(3)	-
Service delivery costs and professional services	8,566	8,895	329	17,783	18,015	232	96,269
Occupancy costs	338	180	(158)	910	803	(107)	4,669
Track access charges	1,500	1,614	114	2,672	2,719	47	18,922
Other expenditure	782	174	(608)	1,332	730	(602)	4,666
Finance costs (Electric Trains)	1,722	1,825	103	3,362	3,580	218	27,264
<b>Total operating expenditure</b>	<b>13,111</b>	<b>12,895</b>	<b>(216)</b>	<b>26,537</b>	<b>26,252</b>	<b>(285)</b>	<b>154,217</b>
Depreciation	1,721	1,718	(3)	4,122	3,939	(183)	28,682
<b>Surplus/(deficit) from Operations</b>	<b>(5,909)</b>	<b>(5,913)</b>	<b>4</b>	<b>(12,543)</b>	<b>(12,514)</b>	<b>(29)</b>	<b>(78,562)</b>
Internal support costs	1,678	1,689	11	3,359	3,311	(48)	22,664
<b>Surplus/(deficit)</b>	<b>(7,587)</b>	<b>(7,602)</b>	<b>15</b>	<b>(15,902)</b>	<b>(15,825)</b>	<b>(77)</b>	<b>(101,226)</b>



## Section 2c – Bus operations

	Current month			Year to date			Full Year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income e</b>							
Activity Income	1,159	988	171	2,273	1,970	303	10,880
Other income	13	4	9	414	430	(16)	1,874
NZTA operating subsidy	6,819	6,659	160	13,377	13,368	9	84,468
<b>Total operating income</b>	<b>7,991</b>	<b>7,651</b>	<b>340</b>	<b>16,064</b>	<b>15,768</b>	<b>296</b>	<b>97,222</b>
<b>Operating Expenditure</b>							
Personnel costs	246	227	(19)	496	474	(22)	2,822
Capitalised personnel costs	41	-	(41)	50	-	(50)	-
Service delivery costs and professional services	13,202	12,837	(365)	26,256	25,955	(301)	162,402
Occupancy costs	58	110	52	156	221	65	1,554
Other expenditure	44	68	24	180	203	23	909
<b>Total operating expenditure</b>	<b>13,591</b>	<b>13,242</b>	<b>(349)</b>	<b>27,138</b>	<b>26,853</b>	<b>(285)</b>	<b>167,687</b>
Depreciation	148	146	(2)	294	280	(14)	1,952
<b>Surplus/(deficit) from Operations</b>	<b>(5,748)</b>	<b>(5,737)</b>	<b>(11)</b>	<b>(11,368)</b>	<b>(11,365)</b>	<b>(3)</b>	<b>(72,417)</b>
Internal support costs	1,824	1,836	12	3,653	3,601	(52)	24,644
<b>Surplus/(deficit)</b>	<b>(7,572)</b>	<b>(7,573)</b>	<b>1</b>	<b>(15,021)</b>	<b>(14,966)</b>	<b>(55)</b>	<b>(97,061)</b>

## Section 2c – Ferry operations

	Current month			Year to date			Full Year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income e</b>							
Operator access fees	254	138	116	448	419	29	3,114
Activity Income	38	46	(8)	106	92	14	552
Other Income	60	35	25	121	106	15	787
NZTA operating subsidy	622	489	133	1,237	1,058	179	6,181
<b>Total operating income</b>	<b>974</b>	<b>708</b>	<b>266</b>	<b>1,912</b>	<b>1,675</b>	<b>237</b>	<b>10,634</b>
<b>Operating Expenditure</b>							
Personnel costs	102	85	(17)	210	189	(21)	1,063
Capitalised personnel costs	-	(2)	(2)	-	(5)	(5)	(27)
Service delivery costs and professional services	980	956	(24)	2,037	2,023	(14)	12,661
Other expenditure	244	163	(81)	472	506	34	2,959
<b>Total operating expenditure</b>	<b>1,326</b>	<b>1,202</b>	<b>(124)</b>	<b>2,719</b>	<b>2,713</b>	<b>(6)</b>	<b>16,656</b>
Depreciation	258	258	-	517	452	(65)	3,034
<b>Surplus/(deficit) from Operations</b>	<b>(610)</b>	<b>(752)</b>	<b>142</b>	<b>(1,324)</b>	<b>(1,490)</b>	<b>166</b>	<b>(9,056)</b>
Internal support costs	181	182	1	363	358	(5)	2,448
<b>Surplus/(deficit)</b>	<b>(791)</b>	<b>(934)</b>	<b>143</b>	<b>(1,687)</b>	<b>(1,848)</b>	<b>161</b>	<b>(11,504)</b>

## Section 2c – Other public transport operations

	Current month			Year to date			Full Year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income e</b>							
Other Income	519	469	50	1,104	938	166	5,637
NZTA operating subsidy	1,514	1,921	(407)	3,164	3,722	(558)	22,690
<b>Total operating income</b>	<b>2,033</b>	<b>2,390</b>	<b>(357)</b>	<b>4,268</b>	<b>4,660</b>	<b>(392)</b>	<b>28,327</b>
<b>Operating Expenditure</b>							
Personnel costs	1,148	1,097	(51)	2,406	2,290	(116)	13,589
Capitalised personnel costs	(195)	(43)	152	(284)	(161)	123	(854)
Service delivery costs and professional services	1,159	1,503	344	2,546	2,774	228	19,876
IT costs	106	139	33	232	278	46	1,685
Other expenditure	663	730	67	1,326	1,455	129	9,097
<b>Total operating expenditure</b>	<b>2,881</b>	<b>3,426</b>	<b>545</b>	<b>6,226</b>	<b>6,636</b>	<b>410</b>	<b>43,393</b>
Depreciation	1,323	1,327	4	2,653	2,438	(215)	15,918
<b>Surplus/(deficit) from Operations</b>	<b>(2,171)</b>	<b>(2,363)</b>	<b>192</b>	<b>(4,611)</b>	<b>(4,414)</b>	<b>(197)</b>	<b>(30,984)</b>
<b>Internal support costs</b>	<b>472</b>	<b>475</b>	<b>3</b>	<b>945</b>	<b>932</b>	<b>(13)</b>	<b>6,377</b>
<b>Surplus/(deficit)</b>	<b>(2,643)</b>	<b>(2,838)</b>	<b>195</b>	<b>(5,556)</b>	<b>(5,346)</b>	<b>(210)</b>	<b>(37,361)</b>

## Section 2c – Parking operations

	Current month			Year to date			Full Year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income e</b>							
Other income	101	75	26	183	148	35	771
Parking fees	3,207	3,536	(329)	6,411	6,975	(564)	41,265
<b>Total operating income</b>	<b>3,308</b>	<b>3,611</b>	<b>(303)</b>	<b>6,594</b>	<b>7,123</b>	<b>(529)</b>	<b>42,036</b>
<b>Operating Expenditure</b>							
Personnel costs	246	340	94	519	685	166	3,418
Capitalised personnel costs	(9)	(16)	(7)	(18)	(34)	(16)	(202)
Service delivery costs and professional services	228	271	43	420	606	186	3,618
Occupancy costs	402	441	39	987	925	(62)	6,033
(Profit)/loss on disposal of assets	482	-	(482)	482	-	(482)	-
Other expenditure	57	106	49	80	229	149	1,603
<b>Total operating expenditure</b>	<b>1,406</b>	<b>1,142</b>	<b>(264)</b>	<b>2,470</b>	<b>2,411</b>	<b>(59)</b>	<b>14,470</b>
Depreciation	565	560	(5)	1,112	1,197	85	6,674
<b>Surplus/(deficit) from Operations</b>	<b>1,337</b>	<b>1,909</b>	<b>(572)</b>	<b>3,012</b>	<b>3,515</b>	<b>(503)</b>	<b>20,892</b>
Internal support costs	157	158	1	315	311	(4)	2,127
<b>Surplus/(deficit)</b>	<b>1,180</b>	<b>1,751</b>	<b>(571)</b>	<b>2,697</b>	<b>3,204</b>	<b>(507)</b>	<b>18,765</b>

## Section 2c – Enforcement operations

	Current month			Year to date			Full Year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income e</b>							
Infringement income	2,477	3,344	(867)	5,972	6,397	(425)	37,666
<b>Total operating income</b>	<b>2,477</b>	<b>3,344</b>	<b>(867)</b>	<b>5,972</b>	<b>6,397</b>	<b>(425)</b>	<b>37,666</b>
<b>Operating Expenditure</b>							
Personnel costs	715	864	149	1,618	1,786	168	10,105
Capitalised personnel costs	7	-	(7)	17	-	(17)	-
Service delivery costs and professional services	140	113	(27)	303	232	(71)	1,497
Other expenditure	636	474	(162)	1,167	1,369	202	8,258
<b>Total operating expenditure</b>	<b>1,498</b>	<b>1,451</b>	<b>(47)</b>	<b>3,105</b>	<b>3,387</b>	<b>282</b>	<b>19,860</b>
Depreciation	2	3	1	5	27	22	212
<b>Surplus/(deficit) from Operations</b>	<b>977</b>	<b>1,890</b>	<b>(913)</b>	<b>2,862</b>	<b>2,983</b>	<b>(121)</b>	<b>17,594</b>
Internal support costs	216	217	1	433	426	(7)	2,919
<b>Surplus/(deficit)</b>	<b>761</b>	<b>1,673</b>	<b>(912)</b>	<b>2,429</b>	<b>2,557</b>	<b>(128)</b>	<b>14,675</b>

## Section 2c – Roading and footpaths operations

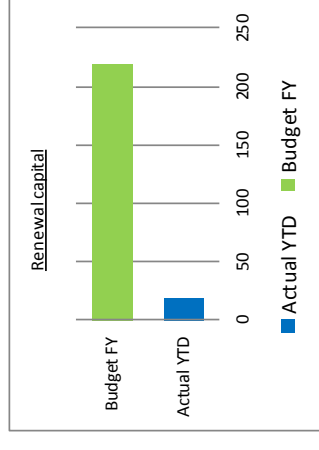
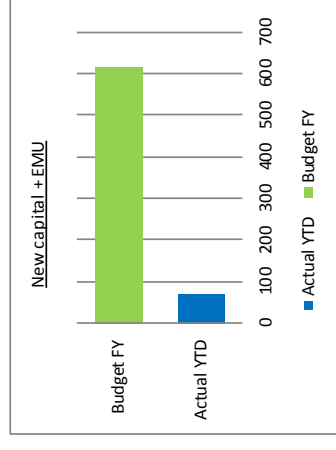
	Current month			Year to date			Full Year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income e</b>							
Petrol tax	710	699	11	1,441	1,322	119	8,677
Other income	275	324	(49)	950	616	334	4,016
NZTA operating subsidy	2,714	3,471	(757)	5,632	6,657	(1,025)	33,159
<b>Total operating income</b>	<b>3,699</b>	<b>4,494</b>	<b>(795)</b>	<b>8,023</b>	<b>8,595</b>	<b>(572)</b>	<b>45,852</b>
<b>Operating Expenditure</b>							
Personnel costs	1,697	1,946	249	3,337	4,047	710	23,314
Capitalised personnel costs	(188)	(500)	(312)	(196)	(970)	(774)	(5,865)
Service delivery costs and professional services	6,369	6,723	354	13,023	12,480	(543)	79,173
Occupancy costs	1,157	1,390	233	2,579	2,475	(104)	14,921
IT costs	(35)	171	206	5	339	334	2,037
(Profit)/loss on disposal of assets	450	-	(450)	450	-	(450)	-
Other expenditure	367	225	(142)	635	433	(202)	2,604
<b>Total operating expenditure</b>	<b>9,817</b>	<b>9,955</b>	<b>138</b>	<b>19,833</b>	<b>18,804</b>	<b>(1,029)</b>	<b>116,184</b>
Depreciation	18,099	18,084	(15)	36,248	35,052	(1,196)	221,881
<b>Surplus/(deficit) from Operations</b>	<b>(24,217)</b>	<b>(23,545)</b>	<b>(672)</b>	<b>(48,058)</b>	<b>(45,261)</b>	<b>(2,797)</b>	<b>(292,213)</b>
Internal support costs	1,264	1,272	8	2,531	2,495	(36)	17,075
<b>Surplus/(deficit)</b>	<b>(25,481)</b>	<b>(24,817)</b>	<b>(664)</b>	<b>(50,589)</b>	<b>(47,756)</b>	<b>(2,833)</b>	<b>(309,288)</b>

## Section 2c – Internal support

	Current month			Year to date			Full Year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income e</b>							
Other income	423	793	(370)	1,635	2,021	(386)	13,002
NZTA operating subsidy	671	873	(202)	1,309	1,559	(250)	9,964
<b>Total operating income</b>	<b>1,094</b>	<b>1,666</b>	<b>(572)</b>	<b>2,944</b>	<b>3,580</b>	<b>(636)</b>	<b>22,966</b>
<b>Operating Expenditure</b>							
Personnel costs	5,649	5,275	(374)	11,682	10,993	(689)	65,521
Capitalised personnel costs	(2,004)	(1,856)	148	(3,804)	(3,886)	(82)	(23,053)
Directors Fees	54	33	(21)	99	63	(36)	504
Service delivery costs and professional services	832	1,553	721	2,004	2,982	978	21,437
Other expenditure	1,774	1,666	(108)	3,400	3,159	(241)	24,237
<b>Total operating expenditure</b>	<b>6,305</b>	<b>6,671</b>	<b>366</b>	<b>13,381</b>	<b>13,311</b>	<b>(70)</b>	<b>88,646</b>
Depreciation	581	826	245	1,162	1,702	540	12,574
Taxation	-	-	-	-	-	-	-
<b>Surplus/(deficit) before allocation of costs</b>	<b>(5,792)</b>	<b>(5,831)</b>	<b>39</b>	<b>(11,599)</b>	<b>(11,433)</b>	<b>(166)</b>	<b>(78,254)</b>
Internal support costs	(5,792)	(5,831)	(39)	(11,599)	(11,433)	166	(78,254)
<b>Total internal support allocation</b>	<b>(5,792)</b>	<b>(5,831)</b>	<b>(39)</b>	<b>(11,599)</b>	<b>(11,433)</b>	<b>166)</b>	<b>(78,254)</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
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Results Achieve
<b>New capital expenditure</b>							
Roads and footpaths	14,392	14,033	(359)	24,601	26,600	1,999	●
Public transport	7,446	6,841	(605)	15,203	12,903	(2,300)	●
Parking operations	61	166	105	142	372	230	●
Internal support	595	575	(20)	2,324	1,018	(1,306)	●
<b>Total new capital</b>	<b>22,494</b>	<b>21,615</b>	<b>(879)</b>	<b>42,270</b>	<b>40,893</b>	<b>(1,377)</b>	●
<b>Renewal capital expenditure</b>							
Roads and footpaths	9,892	11,516	1,624	17,198	21,105	3,907	●
Public transport	125	135	10	343	210	(133)	●
Parking operations	29	25	(4)	40	115	75	●
Internal support	-	-	-	-	-	-	-
<b>Total renewal</b>	<b>10,046</b>	<b>11,676</b>	<b>1,630</b>	<b>17,581</b>	<b>21,430</b>	<b>3,849</b>	●
<b>Electric multiple units (EMUs)</b>							
Procurement	10,594	12,695	2,101	26,419	28,806	2,387	●
Depot	36	87	51	84	111	27	●
<b>Total EMUs</b>	<b>10,630</b>	<b>12,782</b>	<b>2,152</b>	<b>26,503</b>	<b>28,917</b>	<b>2,414</b>	●
<b>Total direct capital</b>	<b>43,170</b>	<b>46,073</b>	<b>2,903</b>	<b>86,354</b>	<b>91,240</b>	<b>4,886</b>	●
Vested assets	-	-	-	2	-	(2)	●
<b>Total capital</b>	<b>43,170</b>	<b>46,073</b>	<b>2,903</b>	<b>86,356</b>	<b>91,240</b>	<b>4,884</b>	●



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



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

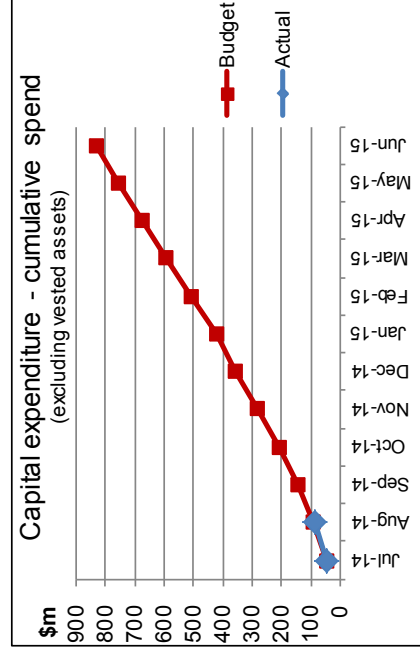
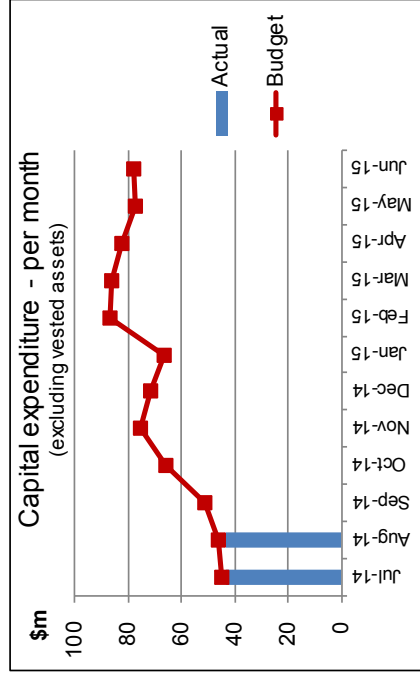
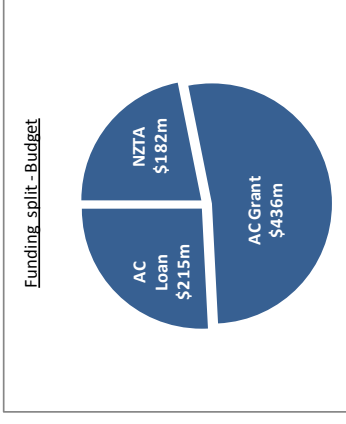
	Current month			Year to date			Full year
	Actual \$'000	Budget \$'000	Variance \$'000	Actual \$'000	Budget \$'000	Variance \$'000	Results Achieve
<b>Core capital expenditure</b>							
<b>New capital</b>							
Capital land acquisition	4,243	3,153	(1,090)	6,512	5,577	(935)	●
Roads and footpaths	9,884	10,748	864	17,987	20,783	2,796	●
Public transport	1,921	2,253	332	2,917	3,838	921	●
Parking operations	61	166	105	142	372	230	●
Internal support	581	574	(7)	2,279	1,018	(1,261)	●
<b>Total new capital core expenditure</b>	<b>16,690</b>	<b>16,894</b>	<b>204</b>	<b>29,837</b>	<b>31,588</b>	<b>1,751</b>	●
<b>Renewal</b>							
Roads and footpaths	9,892	11,516	1,624	17,198	21,105	3,907	●
Public transport	125	135	10	343	210	(133)	●
Parking operations	29	25	(4)	40	115	75	●
<b>Total renewal core expenditure</b>	<b>10,046</b>	<b>11,676</b>	<b>1,630</b>	<b>17,581</b>	<b>21,430</b>	<b>3,849</b>	●
<b>Total core capital expenditure</b>	<b>26,736</b>	<b>28,570</b>	<b>1,834</b>	<b>47,418</b>	<b>53,018</b>	<b>5,600</b>	●
<b>Ring fenced capital expenditure</b>							
City Rail Link- others	2,125	2,338	213	5,369	4,523	(846)	●
City Rail Link- land	3,251	2,211	(1,040)	6,741	4,432	(2,309)	●
EMU depot	36	87	51	84	111	27	●
EMU procurement	10,594	12,695	2,101	26,419	28,806	2,387	●
Local Board initiatives	239	92	(147)	105	160	55	●
Others	189	80	(109)	218	190	(28)	●
<b>Total ring fenced capital expenditure</b>	<b>16,434</b>	<b>17,503</b>	<b>1,069</b>	<b>38,936</b>	<b>38,222</b>	<b>(714)</b>	●
<b>Total direct capital excluding vested assets</b>	<b>43,170</b>	<b>46,073</b>	<b>2,903</b>	<b>86,354</b>	<b>91,240</b>	<b>4,886</b>	●
Vested assets	-	-	-	2	-	(2)	●
<b>Total capital</b>	<b>43,170</b>	<b>46,073</b>	<b>2,903</b>	<b>86,356</b>	<b>91,240</b>	<b>4,884</b>	●

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

## Section 3c – Capital Expenditure Funding

Current month Year to date Full year

	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000
<b>Funding</b>								
NZTA - new capital	3,222	5,976	(2,754)	7,329	10,543	(3,214)	103,831	103,831
NZTA - renewal capital	3,919	4,653	(734)	6,880	8,722	(1,842)	78,087	78,087
Auckland Council funding (Non EMU)	11,208	11,208	-	22,417	22,417	-	134,501	134,501
Investment by Auckland Council	7,155	11,454	(4,299)	16,189	20,641	(4,452)	301,453	301,453
Auckland Council loan (EMU)	10,630	12,782	(2,152)	26,503	28,917	(2,414)	215,163	215,163
Vested assets	-	-	-	2	-	2	-	-
Sale of assets	7,036	-	7,036	7,036	-	7,036	-	-
<b>Total funding</b>	<b>43,170</b>	<b>46,073</b>	<b>(2,903)</b>	<b>86,356</b>	<b>91,240</b>	<b>(4,884)</b>	<b>833,035</b>	<b>833,035</b>



## Section 4a – Statement of Financial Position As at 31 August 2014

	Note	Actual 31 August 2014 \$000	Actual 31 July 2014 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	7,051	4,225
Trade and other receivables	2	180,543	179,836
Inventories		4,178	4,700
Other assets		7,325	11,920
Non-current asset held for sale		5,000	5,000
<b>Total current assets</b>		<b>204,097</b>	<b>205,681</b>
<b>Non-current assets</b>			
Property, plant and equipment - assets		15,256,897	15,240,118
Property, plant and equipment - work-in-progress		585,109	577,389
Intangible assets		112,719	122,488
Amounts due from related parties		52,000	52,000
<b>Total non-current assets</b>		<b>16,006,725</b>	<b>15,991,995</b>
<b>Total assets</b>		<b>16,210,822</b>	<b>16,197,676</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	3	28,437	32,982
Trade and other payables	4	135,102	140,729
Employee benefit liabilities	5	12,106	11,342
Borrowings	6	3,078	2,869
<b>Total current liabilities</b>		<b>178,723</b>	<b>187,922</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	3	8,642	6,427
Employee benefit liabilities	5	745	745
Borrowings	6	390,585	371,996
Deferred tax liability	7	10,888	10,888
<b>Total non-current liabilities</b>		<b>410,860</b>	<b>390,056</b>
<b>Total liabilities</b>		<b>589,583</b>	<b>577,978</b>
<b>Net assets</b>		<b>15,621,239</b>	<b>15,619,698</b>
<b>Equity</b>			
Contributed equity		13,252,917	13,250,918
Retained earnings/(losses)		406,464	404,747
Reserves		1,961,858	1,964,033
<b>Total equity</b>		<b>15,621,239</b>	<b>15,619,698</b>

## Section 4b – Notes to the Financial Statements As at 31 August 2014

	Actual 31 August 2014 \$000	Actual 31 July 2014 \$000
<b>1 Cash and cash equivalents</b>		
Cash at bank - Trading	6,769	3,943
Till floats	282	282
<b>Total cash and cash equivalents</b>	<b>7,051</b>	<b>4,225</b>

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

### 2 Trade and other receivables

Trade debtors	2,536	15,211
Finance lease receivable	103	105
Infringements receivable	19,394	19,458
Amounts due from related parties	126,995	107,058
Accrued income	27,120	25,871
Goods and services tax	5,574	13,312
	<b>181,722</b>	<b>181,015</b>
Less provision for impairment of receivables	(1,179)	(1,179)
<b>Total trade and other receivables</b>	<b>180,543</b>	<b>179,836</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 August 2014 is detailed below :

	Gross \$000	Impaired \$000	Net \$000
Not past due	161,856	-	161,856
Past due 1 - 30 days	2,894	-	2,894
Past due 31 - 60 days	698	-	698
Past due 61 - 90 days	218	-	218
Past due > 90 days	16,056	(1,179)	14,877
	<b>181,722</b>	<b>(1,179)</b>	<b>180,543</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:

	Actual \$000
At 1 July 2014	1,179
Additional provisions made	-
Provisions reversed	-
Receivables written-off	-
<b>At 31 August 2014</b>	<b>1,179</b>

## Section 4b – Notes to the Financial Statements As at 31 August 2014

	Actual 31 August 2014 \$000	Actual 31 July 2014 \$000
<b>3 Derivative financial instruments</b>		
<b>Current liability portion</b>		
Forward foreign exchange contracts - cash flow hedges	28,437	32,982
<b>Current derivative financial instruments</b>	<b>28,437</b>	<b>32,982</b>
<b>Non-current liability portion</b>		
Interest rate swaps - cash flow hedges	8,548	6,325
Forward foreign exchange contracts - cash flow hedges	94	102
<b>Non-current derivative financial instruments</b>	<b>8,642</b>	<b>6,427</b>
<b>Total derivative financial instrument liabilities</b>	<b>37,079</b>	<b>39,409</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 \$198m. The foreign currency principal amount was USD \$139m. These cash flow hedges have been accounted for as effective and the gain of \$12.8m 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 \$181m. At 31 August 2014 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.27% to 5.41%. The loss on their revaluation of \$3.6m has been recorded in the Statement of Financial Performance.

## 4 Trade and other payables

Creditors	12,911	15,762
Accrued expenses	100,295	105,382
Retentions	6,164	5,991
Amounts due to related parties	14,249	12,413
Income in advance	1,483	1,181
	<b>135,102</b>	<b>140,729</b>

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

## Section 4b – Notes to the Financial Statements As at 31 August 2014

	Actual 31 August 2014 \$000	Actual 31 July 2014 \$000
<b>5 Employee benefit liabilities</b>		
<b>Current portion</b>		
Accrued salaries and wages	4,286	3,805
Accrued leave	7,820	7,537
<b>Current employee benefit liabilities</b>	<b>12,106</b>	<b>11,342</b>
<b>Non-current portion</b>		
Retirement gratuities	383	383
Long service leave	362	362
<b>Non-current employee benefit liabilities</b>	<b>745</b>	<b>745</b>

## 6 Borrowings

<b>Current portion</b>		
Loans from Auckland Council	3,019	2,810
Finance Leases	59	59
<b>Current borrowings</b>	<b>3,078</b>	<b>2,869</b>
<b>Non-current portion</b>		
Loans from Auckland Council	390,572	371,978
Finance Leases	13	18
<b>Non-current borrowings</b>	<b>390,585</b>	<b>371,996</b>

Weighted average cost of funds on total borrowings 5.66% 5.64%

Auckland Transport's loan debt of \$394m is issued at fixed rates of interest ranging from 3.87% to 6.09%. 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 August 2014 Total \$000
Deferred tax liability				
Balance at 1 July 2014	(10,888)	-	-	(10,888)
Charged to profit and loss		-	-	-
Charged to equity		-	-	-
<b>Balance at 31 August 2014</b>	<b>(10,888)</b>	<b>-</b>	<b>-</b>	<b>(10,888)</b>

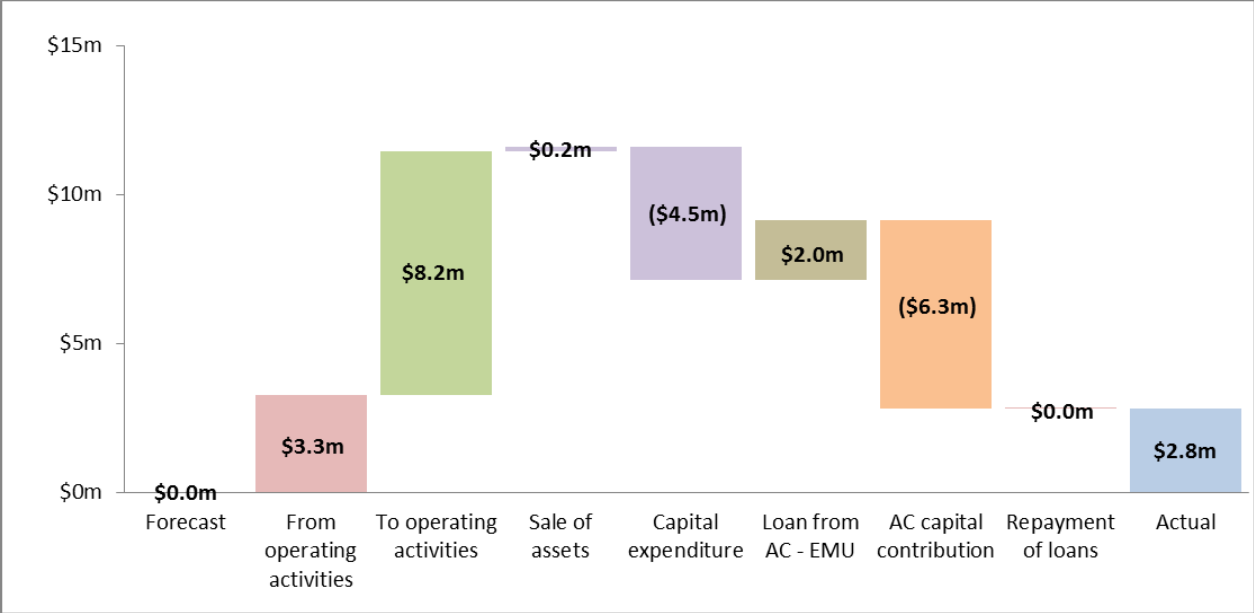
## Section 5a – Cash Flow Rolling Forecast

	Current month		Forecast		
	Actual \$000	Forecast \$000	Sep 2014 \$000	Oct 2014 \$000	Nov 2014 \$000
<b>Cash flows from operating activities</b>					
Total cash provided	77,289	74,033	81,208	81,692	81,668
<b>Cash applied to:</b>					
Payments to suppliers, employees and directors	42,274	50,137	50,723	65,223	50,584
Interest paid	1,511	1,825	1,890	2,029	2,072
Goods and services tax (net)	-	-	-	-	-
<b>Total cash applied</b>	<b>43,785</b>	<b>51,962</b>	<b>52,613</b>	<b>67,252</b>	<b>52,656</b>
<b>Net cash from operating activities</b>	<b>33,504</b>	<b>22,071</b>	<b>28,595</b>	<b>14,440</b>	<b>29,012</b>
<b>Cash flows from investing activities</b>					
<b>Cash provided from:</b>					
Sale of property, plant and equipment	173	-	-	-	-
<b>Total cash provided</b>	<b>173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash applied to:</b>					
Capital expenditure projects	49,648	45,168	46,073	51,206	65,911
<b>Total cash applied</b>	<b>49,648</b>	<b>45,168</b>	<b>46,073</b>	<b>51,206</b>	<b>65,911</b>
<b>Net cash from investing activities</b>	<b>(49,475)</b>	<b>(45,168)</b>	<b>(46,073)</b>	<b>(51,206)</b>	<b>(65,911)</b>
<b>Cash flows from financing activities</b>					
<b>Cash provided from:</b>					
Loan from Auckland Council - EMU	19,000	17,000	-	37,000	-
Capital contribution from Auckland Council	-	6,331	17,632	-	37,072
<b>Total cash provided</b>	<b>19,000</b>	<b>23,331</b>	<b>17,632</b>	<b>37,000</b>	<b>37,072</b>
<b>Cash applied to:</b>					
Repayments of EMU loan from Auckland Council	198	220	140	220	159
Repayments of finance lease principal	5	14	14	14	14
<b>Total cash provided</b>	<b>203</b>	<b>234</b>	<b>154</b>	<b>234</b>	<b>173</b>
<b>Net cash from financing activities</b>	<b>18,797</b>	<b>23,097</b>	<b>17,478</b>	<b>36,766</b>	<b>36,899</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>2,826</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening cash balance	4,225	-	-	-	-
<b>Closing cash balance</b>	<b>7,051</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities		Current month
<b>Surplus/(deficit) after tax</b>		\$000 <b>(7,238)</b>
<b>Add/(less) non cash items</b>		
Depreciation and amortisation		22,699
Vested assets		-
Loss on disposal of property, plant and equipment		758
Loss on asset write off		-
Revaluation decrement		-
Foreign exchange gains		-
Loss on interest rate swaps		2,223
Income tax		-
		<b>25,680</b>
<b>Add/(less) movements in working capital</b>		
Decrease/(increase) in debtors and other receivables		12,437
Decrease/(increase) in inventories		522
(Decrease)/increase in creditors and other payables		1,339
(Decrease)/increase in employee benefits payable		764
(Decrease)/increase in investment funding from AC		-
		<b>15,062</b>
<b>Net cash flow from operating activities</b>		<b>33,504</b>

# Section 5b – Cash Flow Waterfall

## Cash flow – Curent month forecast to actual





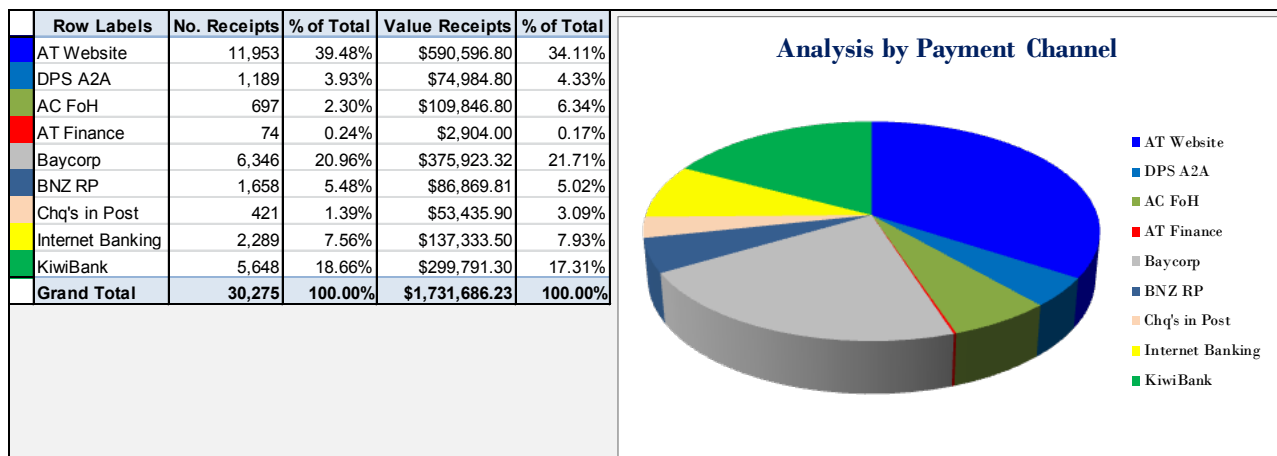
## Section 6 – Accounts Receivable Report

An overview of the Debtors as at 31 August has 85% (96% July) of adjusted Debtors in 30 and 60 days, or not yet due.

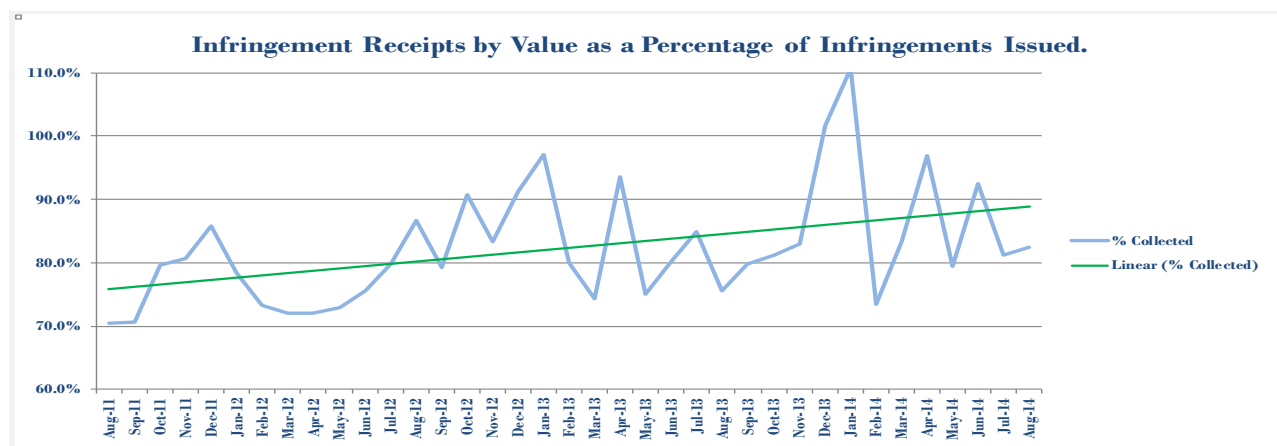
<u>Debtors Ageing Analysis as at 31 August 2014</u>									
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>Not Yet Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
Debtors Ageing 31 Aug		3,715,863	1,780,332	642,733	136,698	262,231	37,655	856,215	1
Parking Permit Debtors		11,169	9,575	1,594	0	0	0	0	2
<b>Total Debtors</b>		<b>3,727,032</b>	<b>1,789,907</b>	<b>644,327</b>	<b>136,698</b>	<b>262,231</b>	<b>37,655</b>	<b>856,215</b>	
		100.0%	48.0%	17.3%	3.7%	7.0%	1.0%	23.0%	
O/s Related Parties	12	1,190,076	1,109,947	203	66,551	3,443	0	9,930	3
<b>Trade Debtors</b>	<b>116</b>	<b>2,536,957</b>	<b>679,959</b>	<b>644,124</b>	<b>70,147</b>	<b>258,787</b>	<b>37,655</b>	<b>846,285</b>	
		100.0%	26.8%	25.4%	2.8%	10.2%	1.5%	33.4%	
Queried Invoices	282	54,498	360	1,317	3,656	25,920	2,105	21,140	4
Cell Sites - Property	426	704,703	0	785	140	129,733	12,518	561,527	5
To Baycorp (Collection)	484	24,447	0	408	1,126	1,155	1,683	20,075	6
Payment Arrangement	41	1,757	0	0	0	1,757	0	0	7
Lodged Courts (Damages)	208	171,427	0	0	50,644	340	19,409	101,034	8
<b>Adjusted Debtors</b>	<b>N/a</b>	<b>1,580,125</b>	<b>679,599</b>	<b>641,613</b>	<b>14,582</b>	<b>99,883</b>	<b>1,940</b>	<b>142,509</b>	
		100.0%	43.0%	40.6%	0.9%	6.3%	0.1%	9.0%	

- 1 - These figures relate to Sundry Debtors administered in the SAP system.
- 2 - This figure relates to Parking Permit Debtors administered in the Pathway system.
- 3 - Relates to amounts owed by related parties (inter-company).
- 4 - This comprises invoices which have been queried or disputed by customers. The AR Team and various AT Departments are engaged in an effort to resolve these queries. The issues previously reported on around a group of apartments disputing parking charges with Property has been resolved and we have started receiving the outstanding funds.
- 5 - This outstanding amount relates to the ongoing cell sites dispute. Two of the four accounts in dispute have been resolved since our last report as can be seen from the lower outstanding amount. The balance owing by the Telco's has been impaired and may be written off in the future, legal opinion has been sought and negotiations continue.
- 6 - This section comprises accounts lodged with Baycorp for collection. All these amounts have been impaired and some may be written off in the future. All amounts written off are approved by the CFO in accordance with policy.
- 7 - Payment arrangement relates to customers where an arrangement to pay has been agreed to and is monitored until full payment has been received.
- 8 - 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.

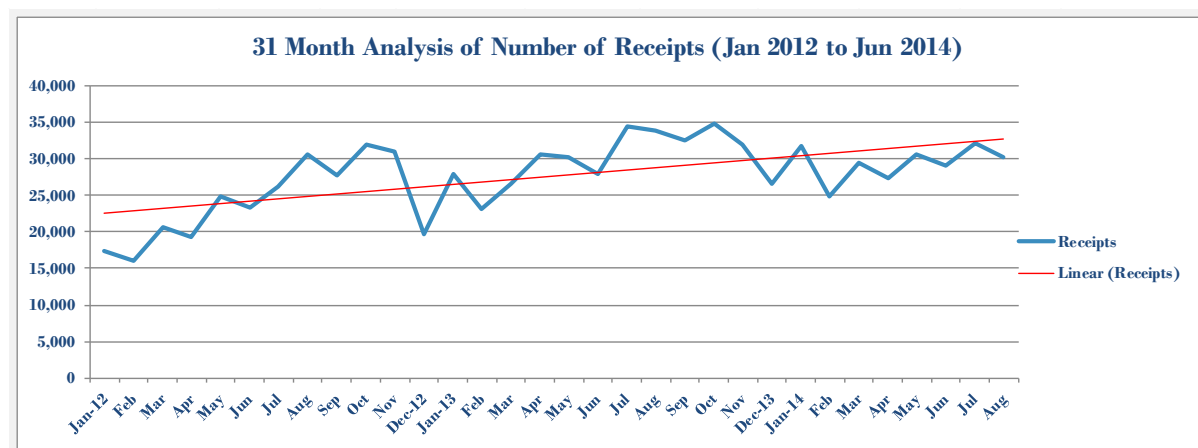
## Infringement Overview



August's Infringement receipts by volume are 5.9% down on July (21 working days in August compared with 23 in July). Changes to the AT Website to promote the DPS A2A payment channel and removal of AT bank account details have resulted in various changes in our payment channel analysis. While the DPS A2A volume has increased and the Internet Banking decreased, we have seen more customers making use of AC FoH and KiwiBank. In an effort to assist customers as much as possible, we will be adding our bank account details to the website again.

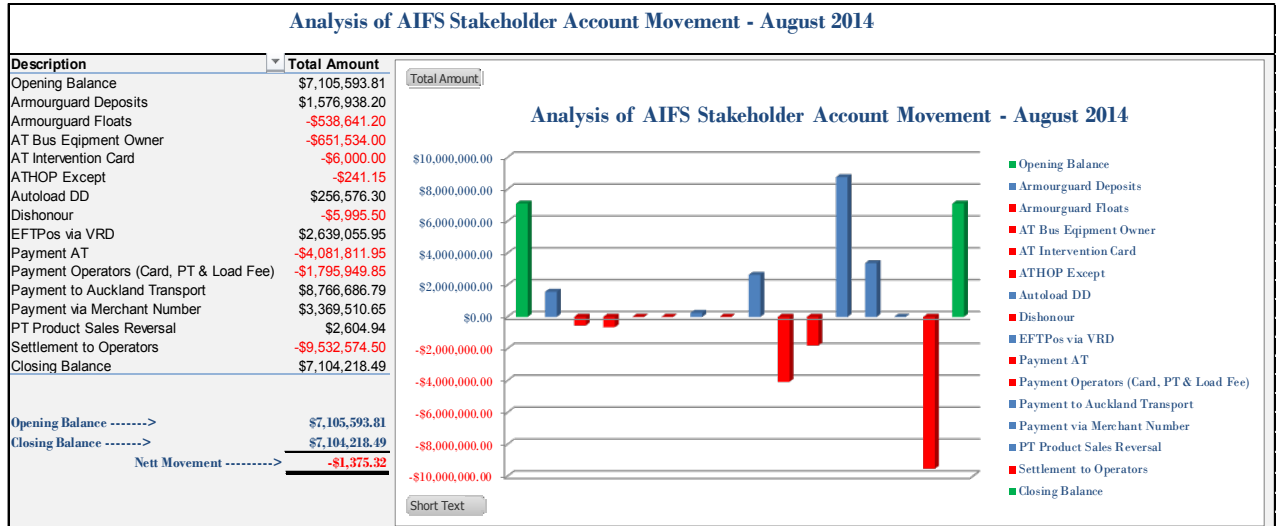


The graph above includes all receipts through AT, Baycorp and MOJ but excludes legacy receipts. Infringements issued dropped by 12.2% in August when compared with July. The trend line clearly shows improved collection rates over the 3 year period.

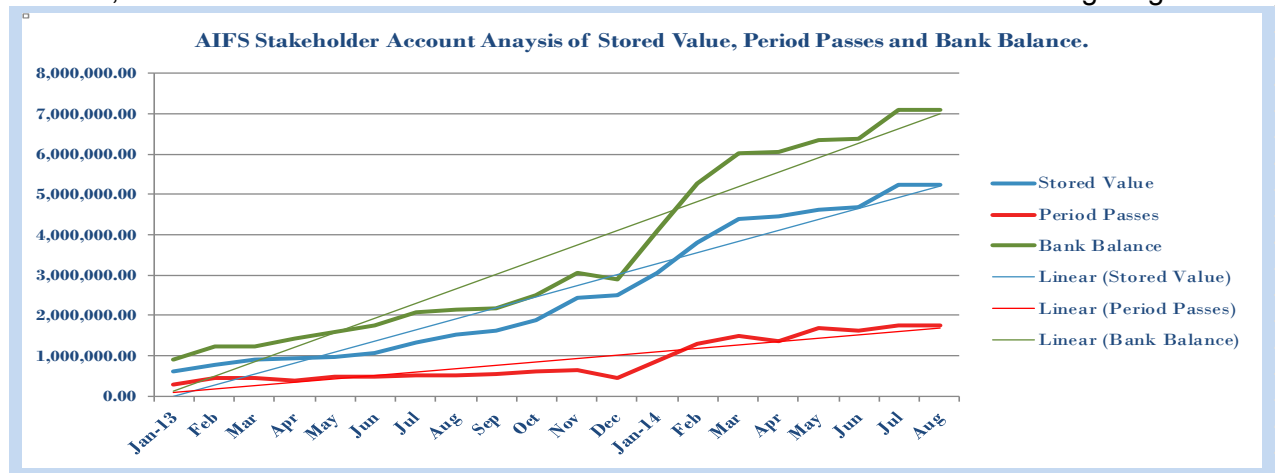


## Section 7 – AIFS Stakeholder Monthly Report (Does not form part of AT results)

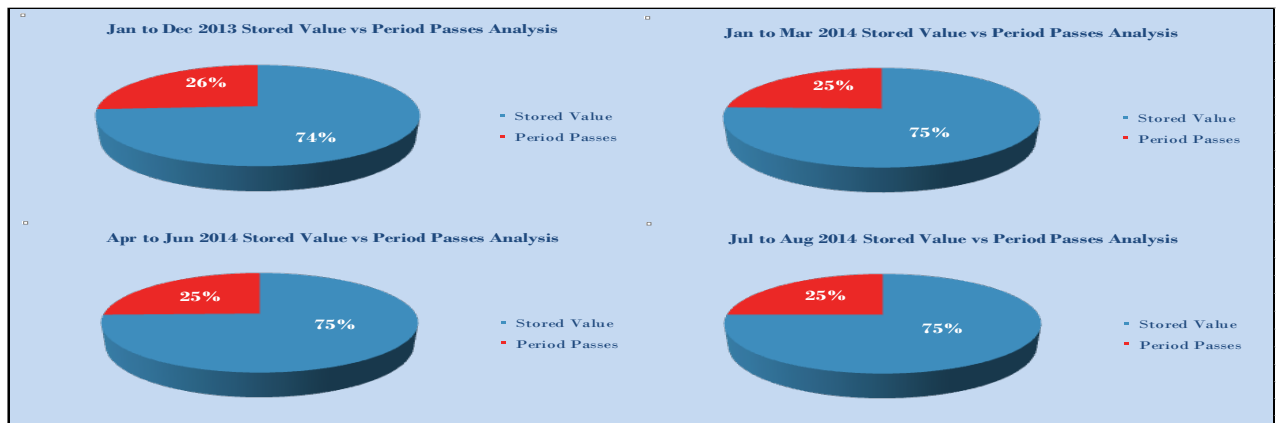
The AIFS Stakeholder bank account has remained constant during August, following an increase of 11.6% in the bank balance in July.







The following graph provides an overview of monthly balances for Stored Value, Period Passes and the AIFS Stakeholder account together with trend lines. The Stakeholder account, Stored Value and Period Pass have shown little or no increase during August.



The graphs below illustrate the split between stored value and period passes. Period Passes over the past 7 months have maintained a share of 25% of the Stakeholder Account.



## Document ownership

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