

# Financial Results for the Three Months Ended 30 September 2011

## Introduction

This report summarises for Auckland Transport:

- the financial results for the three months ended 30 September 2011.

## Abbreviations used in this report

Please note that the following abbreviations are used in this report:

YTD = Year to date

FY = 12 month financial period, from 1 July 2011 to 30 June 2012

\$m = Millions of dollars

Plan = Approved budget for the 12 month period 1 July 2011 to 30 June 2012

YTD Variance = This is comparison of actual results compared to YTD plan.

Net operating result = Operating income less expenditure

Net Surplus (Deficit) = Net operating result plus income for capital projects

### Key to symbols used:

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

# Executive Summary

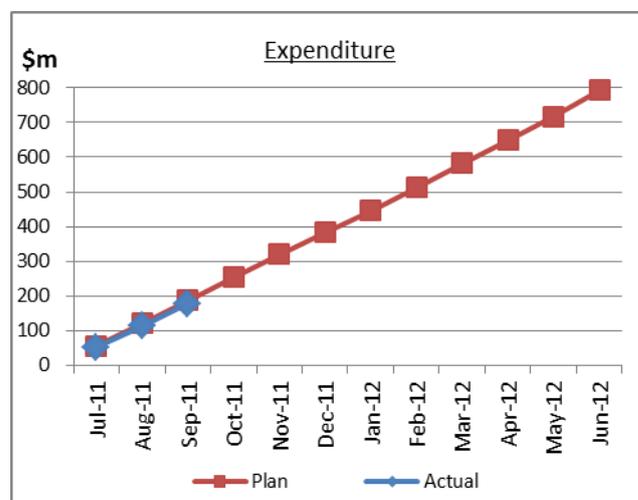
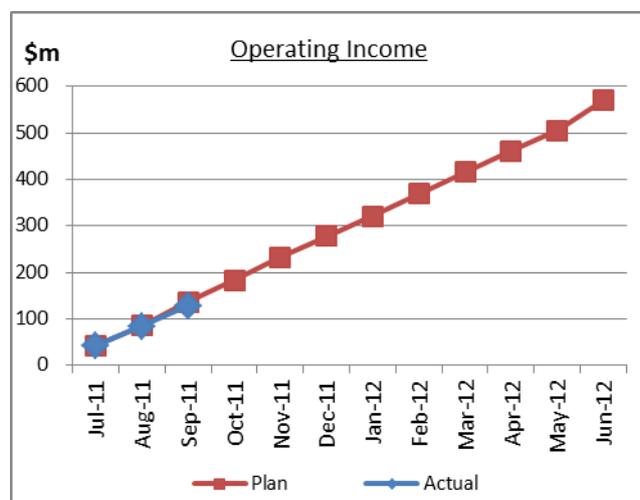
## YTD results:

	Current month variance to Plan \$m	Year to date variance to Plan \$m	Year to date results	Year to date Actual \$m	Year to date Plan \$m	Plan FY \$m
Total operating income	(6.6)	(8.4)	↓ ●	127.7	136.1	569.8
Total operating expenditure	1.1	8.9	↓ ●	177.9	186.7	792.8
Profit/(loss) from operations	(5.5)	0.5	↑ ●	(50.1)	(50.6)	(223.0)
Income for capital projects	(5.8)	(13.0)	↓ ●	24.4	37.5	205.8
Net surplus/(deficit)	(11.3)	(12.5)	↓ ●	(25.7)	(13.2)	(17.1)
Capital expenditure	9.3	11.4	↓ ●	78.2	89.6	546.2

Total operating income YTD is below plan by \$8.4m, mainly due to reduced New Zealand Transport Agency (NZTA) operational subsidies of \$9.7m. AT and NZTA have agreed that AT will forego claims for August and September 2011 maintenance subsidies to free up funding for other high profile NZTA projects. AT and NZTA are currently concluding an agreement that will enable AT to claim back any subsidy shortfalls in future years.

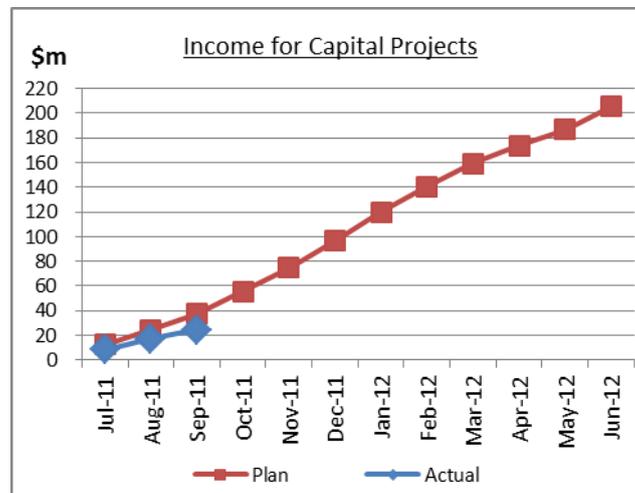
Total operating expenditure YTD is below plan by \$8.9m which is split as follows:

- other expenses (\$6.2m) which includes office and administration costs, maintenance costs and professional services. This is expected to be a timing issue and is likely to be caught up by the end of the year.
- reduced depreciation (\$2.3m) due to budget phasing and delay in capitalisation of capital work in progress. Depreciation is expected to remain below plan for the remainder of the year.

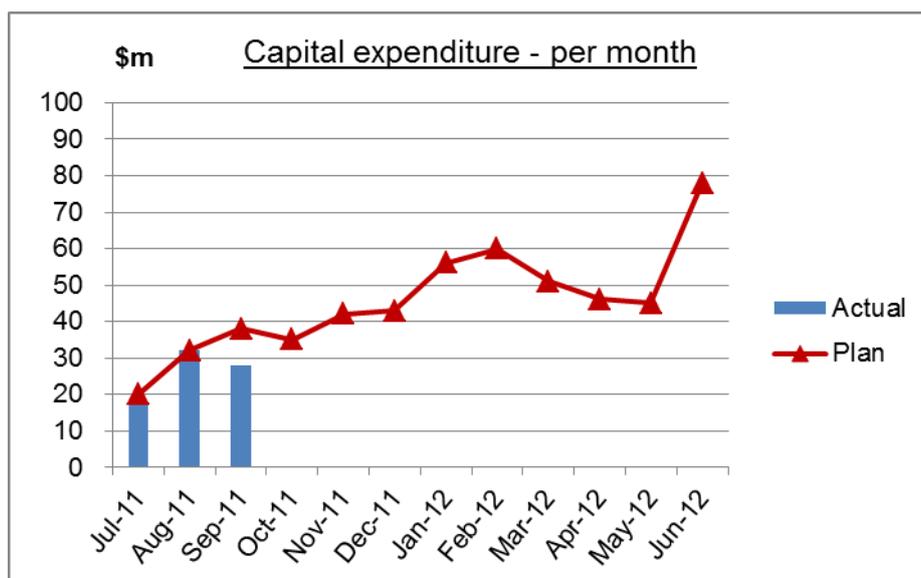


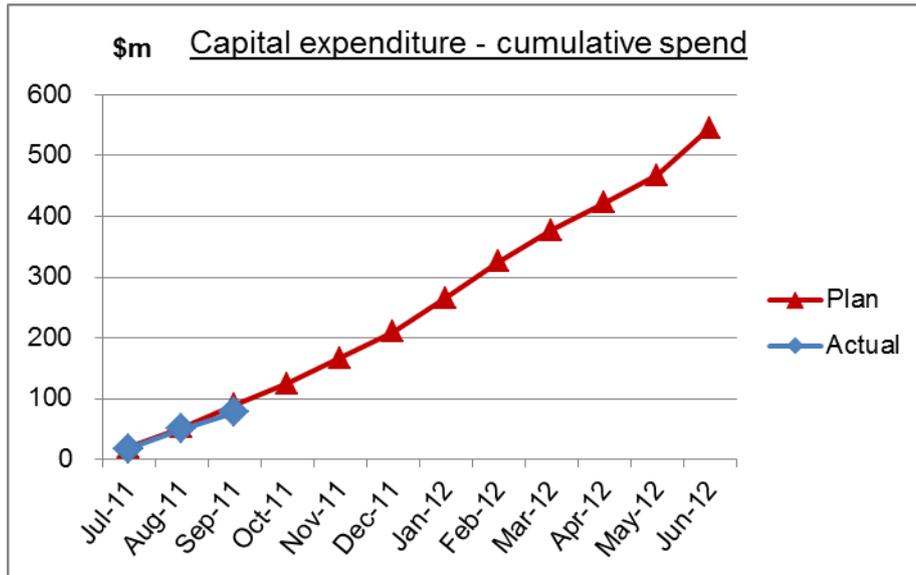
Profit/(Loss) from operations YTD is a deficit of \$50.1m, which is \$0.5m favourable to plan.

Income for capital projects YTD is below plan by \$13.0m due to reduced NZTA capital funding of \$13.0m. AT and NZTA have agreed that AT will forego claims for August and September 2011 renewal subsidies.



Capital expenditure spend for the month was \$28.6m an underspend to plan of \$9.3m. YTD capital expenditure was \$78.2m, a variance to plan of \$11.4m. This is mainly due to delays associated with land acquisition, road safety, AIFS phasing and a number of timing differences across other projects. The FY planned expenditure is \$546.2m. Following a review of portfolio risk and funding availability, the capital fiscal envelope has been revised to \$496m for 2011/12. Capital projects will be re-prioritised as part of the Quarter One re-forecast process and will be presented to the November Board meeting for review and approval. The revised project list will be reported against for November reporting.





The asset position is sound with net assets of \$13.0b at the end of September and cash flow funding arrangements in place to ensure all liabilities can be met.

## Recommendation

That the Auckland Transport Board receive this report.

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