

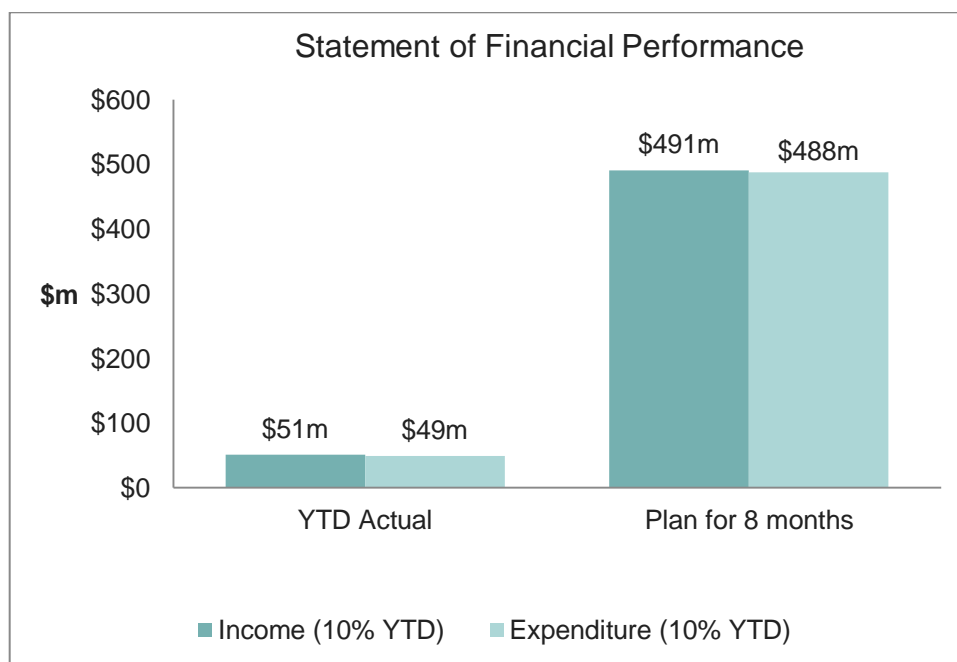
## Financial Results for Month Ended 30 November 2010

As mentioned the financial information presented **here is interim draft results** which are dependent on completion of cutover processes and audit work. Attachments A and B include the draft Financial Statements for the first month end November 2010.

### Statement of Financial Performance

YTD income is on track at \$51m for the November month end, with a planned income for the eight months of \$491m. The YTD results include:

- NZTA income of \$21m,
- Parking income of \$6.8m, which includes income of \$1.4m received from the Ministry of Justice for fines which had previously been sent to the courts,
- Auckland Council grant income of \$20m.



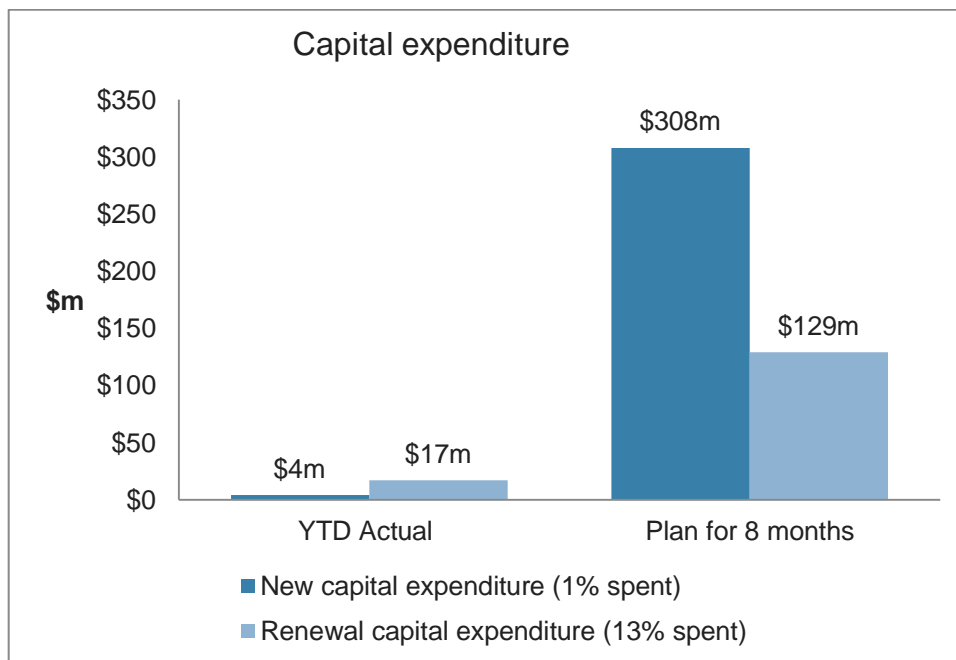
YTD operating expenditure is \$49m which is in line with the 8 month plan of \$488m. Items to note in the YTD results are:

- Depreciation of \$17.6m has been estimated as asset data conversion processes are scheduled for later,
- Personnel costs of \$5.6m are \$0.8m less than the YTD plan,
- Other expenditure of \$25.7m has been recorded.

## Capital Expenditure

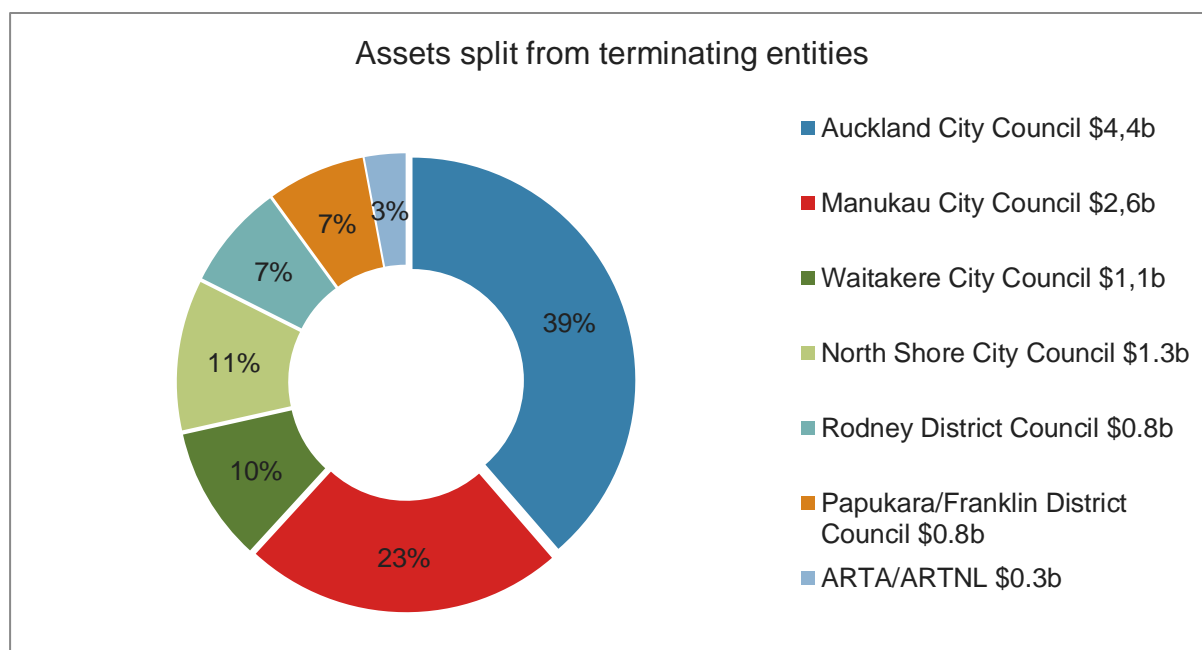
YTD new capital expenditure of \$4m has been incurred and the full period budget is \$308m (this is understated due to supplier invoice processing delays). YTD renewal capital expenditure of \$17m is on track with a full period budget of \$129m.

Projected information about the amount of capital expenditure that was not spent by previous councils by 31 October 2010 has been received. These projections indicate that approximately \$31m will be carried forward into the remaining eight months of 2010/11 with the remainder (\$40m) planned to be spent in 2011/12. It is unlikely that the revised amount of capital expenditure can be delivered given historic completion rates of the previous councils and the disruption caused by the transition. There is a need for AT to complete a reforecast of the timing of capital expenditure for 2010/11 and input into the Annual Plan 2011/12. This reforecast will be completed early in the New Year.



## Statement of Financial Position

The current estimated position is that assets of \$11.7 billion are represented in AT which includes \$86m of current assets. Liabilities are estimated at \$68m. The graph below is an estimate of the asset transfers from the terminating entities.



## Next Steps / Key Issues

- Progress the cutover processes to AT including bedding down Accounts Receivable and Accounts Payable processes
- Complete the audits for the terminating entities and ELGO's
- Development of the first forecast review process for AT early in the New Year
- Annual Plan 2011/12 preparation work, including analysis of timing of capital expenditure
- Refinement of Financial Reporting requirements for future reporting


## Recommendation

That this report be received.

## Attachments

**Attachment A** – Draft Statement of Financial Performance

**Attachment B** – Draft Statement of Financial Position

<b>WRITTEN BY</b>	Jenny Livschitz <b>Manager Financial Reporting</b>	
<b>RECOMMENDED by</b>	Steve Smith <b>Manager Finance</b>	
<b>APPROVED SUBMISSION by</b>	<b>FOR</b> Dave Foster <b>Chief Financial Officer</b>	

**Attachment A**

**Draft summary financial statements for the month ended 30 November 2010**

**Draft Statement of Financial Performance**

	<u>YTD Actual</u> \$000	<u>YTD Plan</u> \$000	<u>Variance</u>	<u>Plan 8 months</u> \$000
<b><u>Income</u></b>				
Grants and subsidies	40,868	52,407	(11,539)	419,259
NZTA Opex	15,759	15,968	(209)	127,747
NZTA Capex	5,488	16,696	(11,208)	133,570
Auckland Council Opex	17,562	17,562	-	140,498
Auckland Council Capex	1,287	1,287	-	10,294
Other grants & subsidies	772	894	(122)	7,150
Parking income	6,812	6,228	584	49,826
Public transport income	3,748	2,792	956	22,337
Interest received	20	0	20	0
	51,448	61,427	(9,979)	491,422
<b><u>Expenses</u></b>				
Personnel costs	5,649	6,475	826	51,802
Depreciation	17,589	17,589	-	140,714
Finance costs	0	0	-	0
Other expenditure	25,678	36,970	11,292	295,756
	48,916	61,034	12,118	488,272
<b>Net profit</b>	<b>2,532</b>	<b>393</b>	<b>2,139</b>	<b>3,150</b>

**Attachment B****Draft Statement of Financial Position as at 30 November 2010**

	<b><u>Actual</u></b>
	<b><u>\$000</u></b>
<b>Assets</b>	
<b><u>Current assets</u></b>	
Cash and cash equivalent	22,924
Accounts Receivable	17,425
Accrued income	42,521
Other current assets	3,498
<b>Total current assets</b>	<b>86,368</b>
<b><u>Non-current assets</u></b>	
Property, plant and equipment	11,613,012
Other non-current assets	0
<b>Total non-current assets</b>	<b>11,613,012</b>
<b>Total assets</b>	<b>11,699,380</b>
<b>Liabilities</b>	
<b><u>Current liabilities</u></b>	
Trade and other payables	6,037
Employee benefit liabilities	8,743
Unrealised fx losses	3,988
Deferred tax	5,375
Accrued expenses	36,421
Other current liabilities	7,712
<b>Total current liabilities</b>	<b>68,276</b>
<b>Total liabilities</b>	<b>68,276</b>
<b>Net assets</b>	<b>11,631,104</b>
<b>Equity</b>	
Contributed equity	11,628,572
Retained earnings	2,532
<b>Total equity</b>	<b>11,631,104</b>