

# Financial Results for the Nine Months Ended 31 March 2014

This report summarises the Auckland Transport financial results for the nine months ended 31 March 2014.

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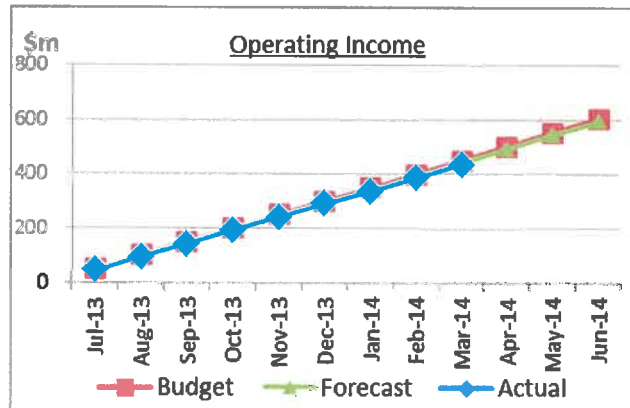
# Executive Summary

## Financial Results for the nine months ended 31 March 2014:

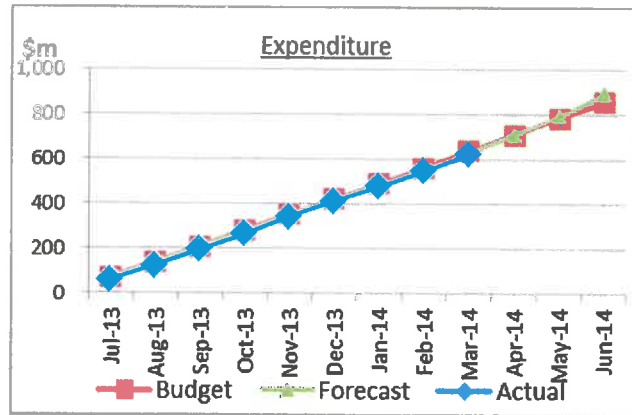
	Current month variance to Forecast \$m	Year to date variance to Forecast \$m	Year to date results	Year to date Actual \$m	Year to date Forecast \$m	Full year Forecast \$m	Full Year Budget \$m
Total operating income	(2.5)	(6.4)	↓ ●	435.0	441.4	593.4	604.0
Total operating expenditure	5.0	9.6	↓ ●	622.0	631.6	872.0	856.7
Surplus/(deficit) from operations	2.4	3.3	↑ ●	(187.0)	(190.2)	(278.6)	(252.7)
Income for capital projects	(3.0)	(3.6)	↓ ●	278.5	282.2	351.2	305.8
Net surplus/(deficit) before tax	(0.6)	(0.4)	↔ ●	91.6	91.9	72.6	53.1
Total direct capital	16.4	21.6	↓ ●	458.7	480.4	722.8	859.5

**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



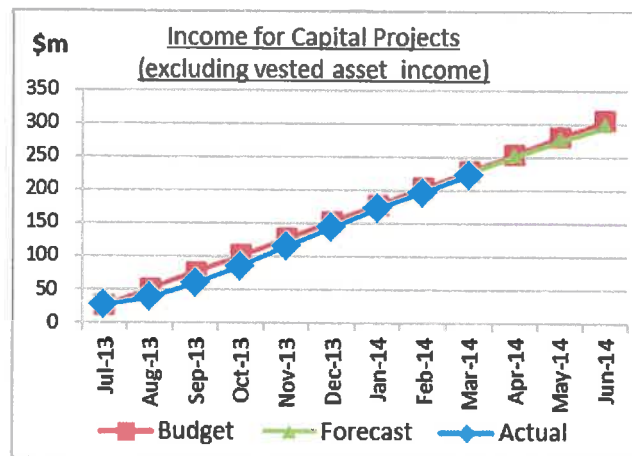
**Total operating income year to date** is below forecast by \$6.4m mainly due to lower than forecast NZTA operating subsidy.



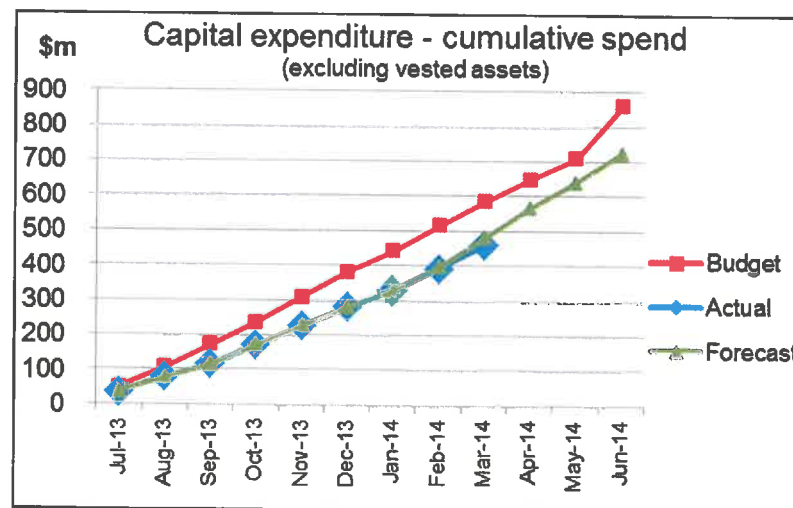
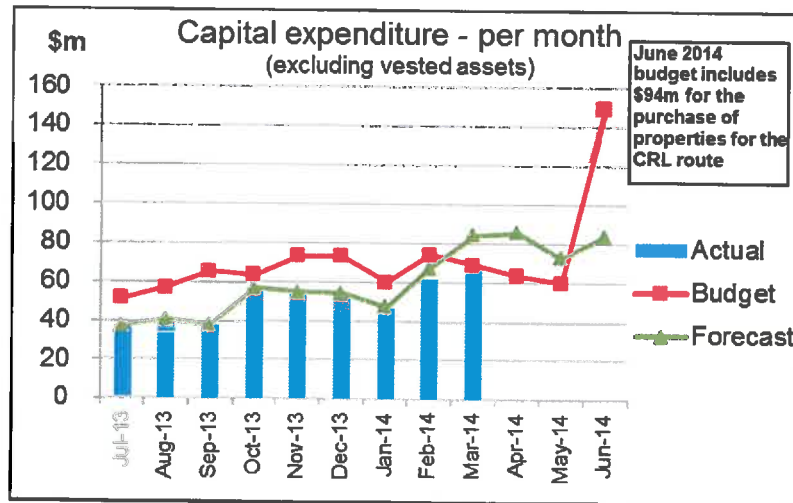
**Total operating expenditure year to date is below forecast by \$9.6m due to:**

- \$4.2m delayed expenditure and savings for public transport
- \$2.8m delayed expenditure for internal support
- \$1.1m delayed roading expenditure
- \$1.0m favourable variance for depreciation
- \$0.5m delayed parking expenditure

**Net surplus before tax and derivatives is \$0.4m unfavourable to forecast.**



**Income for capital projects year to date including vested asset is \$3.6m unfavourable due to lower than forecast NZTA capital funding, which is due to lower than forecast capital spend.**



Capital expenditure year to date including vested assets of \$55.6m was \$514.3m, which is \$21.6m lower than forecast. This is due to lower spend on new capital of \$15.5m, renewal capital of \$4.6m and EMU project of \$1.5m. Further details on the variances are in section 3a.

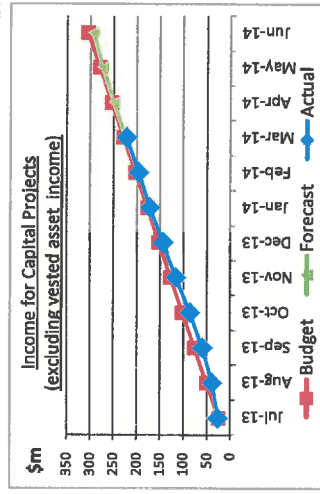
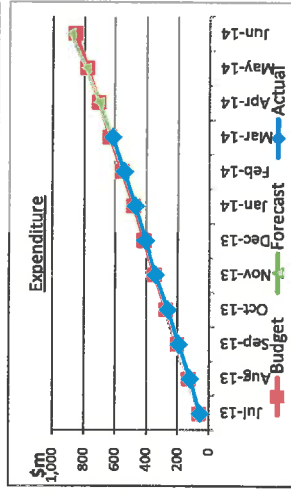
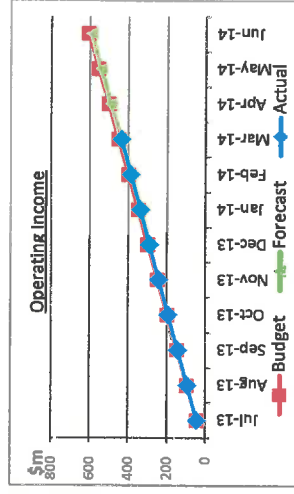
The total forecast capital expenditure for the year to June 2014 is \$778.4m. This is down by \$81.1m compared to budget mainly due to ring-fenced projects being deferred to future financial years partly offset by the \$55.6m vested assets.

The asset position is sound with net assets of \$14.6 billion at the end of March and cash flow funding arrangements in place to ensure all liabilities can be met.

## Section 2a - Auckland Transport Financial Results for the nine months ended 31 March 2014

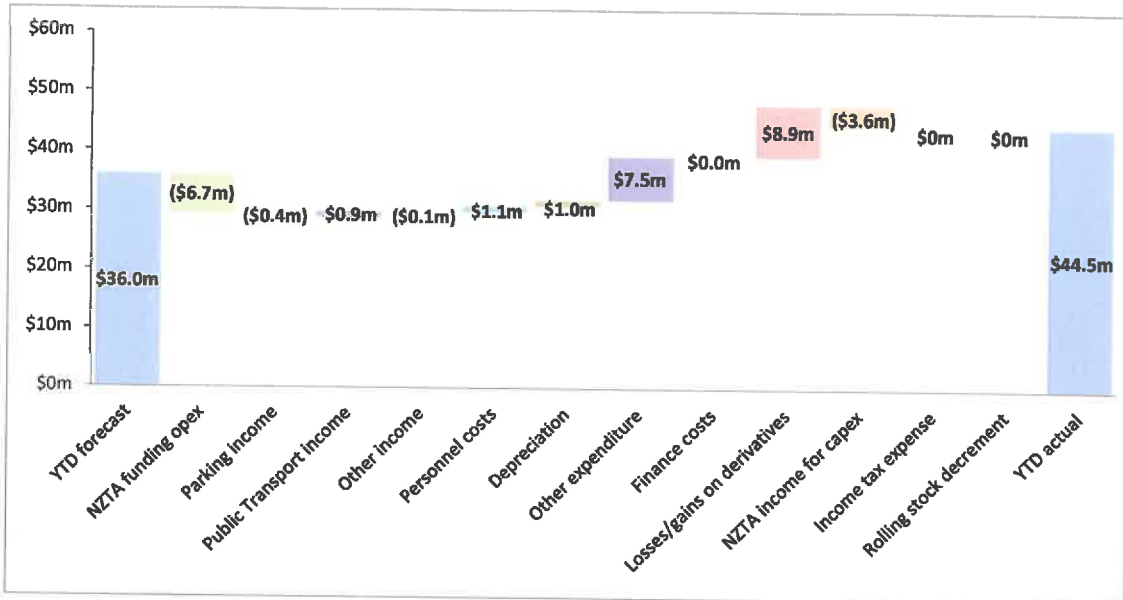
	Current month			Year to date			Full year		
	Actual \$'000	Variance \$'000	Results achieved	Forecast \$'000	Variance \$'000	Results achieved	Forecast \$'000	Variance \$'000	Results achieved
<b>Income</b>									
<b>Operating income</b>									
Auckland Council funding	19,178	-	●	172,803	-	●	230,138	-	●
NZ Transport Agency	17,041	(2,975)	●	151,588	(6,711)	●	214,201	(5,716)	●
Parking and enforcement income	8,261	25	●	54,481	(980)	●	78,932	(5,312)	●
Public transport income	5,129	443	●	38,639	872	●	52,262	883	●
Other revenue including other grants and subsidies	2,278	(41)	●	16,894	(133)	●	23,130	(490)	●
<b>Total operating income</b>	<b>49,887</b>	<b>(2,548)</b>	●	<b>435,005</b>	<b>(6,352)</b>	●	<b>593,351</b>	<b>(10,635)</b>	●
<b>Expenditure</b>									
Personnel costs	9,580	(73)	●	80,000	696	●	112,925	(4,454)	●
Capitalised personnel costs	(2,732)	286	●	(21,334)	437	●	(27,965)	3,610	●
Depreciation and amortisation expense	23,520	239	●	205,308	996	●	276,586	(23,164)	●
Other expenses	42,288	4,507	●	350,224	7,479	●	496,734	4,131	●
Finance costs (Electric Trains)	1,243	1	●	9,484	(2)	●	13,690	4,595	●
<b>Total operating expenditure</b>	<b>73,900</b>	<b>4,960</b>	●	<b>621,980</b>	<b>9,608</b>	●	<b>871,970</b>	<b>(15,282)</b>	●
<b>Profit/(loss) from operations</b>	<b>(24,013)</b>	<b>2,412</b>	●	<b>(186,985)</b>	<b>3,254</b>	●	<b>(278,619)</b>	<b>(25,917)</b>	●
<b>Income for capital projects</b>									
NZ Transport Agency	15,080	(3,016)	●	128,867	(3,626)	●	167,492	(10,147)	●
Auckland Council capital grant	10,678	-	●	96,105	-	●	128,140	-	●
Other capital grants	-	-	●	-	-	●	-	-	●
Vested asset income	-	-	●	55,569	-	●	55,569	-	●
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>25,758</b>	<b>(3,016)</b>	●	<b>278,541</b>	<b>(3,626)</b>	●	<b>351,201</b>	<b>45,422</b>	●
Losses/(gains) on derivatives	1,745	(604)	●	91,928	(372)	●	72,582	19,505	●
Income tax expense/(benefit)	(157)	157	●	(8,395)	8,654	●	459	(459)	●
Rolling stock revaluation decrement	-	-	●	(52)	(52)	●	(52)	52	●
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>1,902</b>	<b>(447)</b>	●	<b>100,003</b>	<b>8,482</b>	●	<b>55,508</b>	<b>2,432</b>	●

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

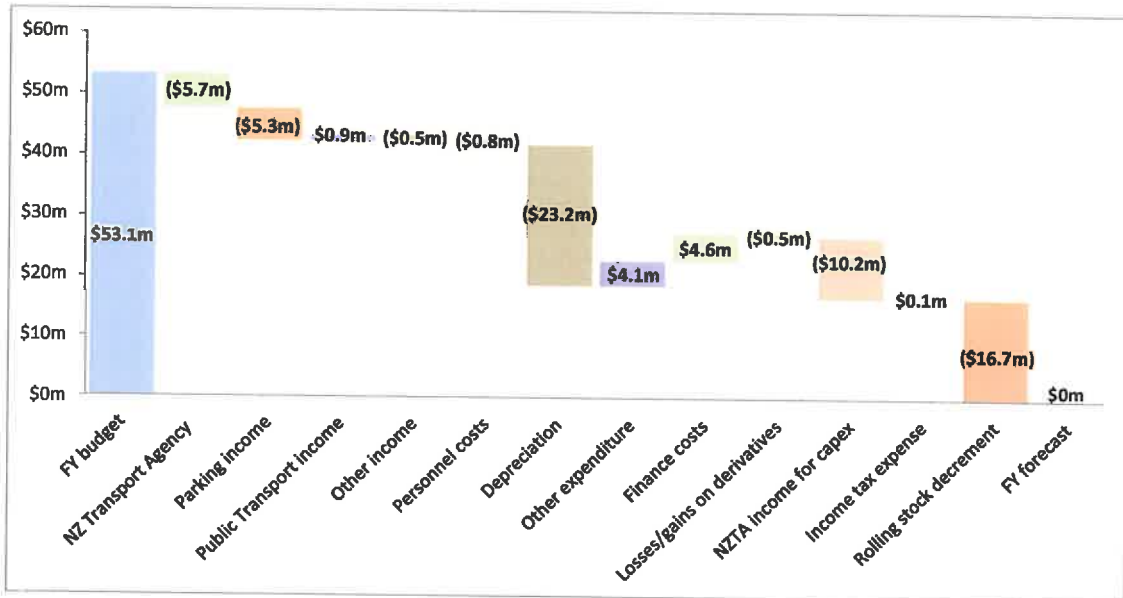


**Section 2b - Net surplus/(deficit) waterfall**

**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 - Summary of financial results by activity for the nine months ended 31 March 2014**

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Rail	8,982	8,831	151	68,284	68,090	194	94,851	105,077	(10,226)
Bus	7,555	8,528	(973)	67,770	68,998	(1,228)	93,061	93,188	(127)
Ferry	734	917	(183)	6,910	7,269	(359)	9,988	9,832	156
Other Public Transport	1,419	2,455	(1,036)	15,751	18,895	(3,144)	25,372	24,640	732
Parking	3,359	3,168	191	28,306	28,243	63	37,761	37,942	(181)
Enforcement	2,902	3,068	(166)	26,175	26,618	(443)	35,859	40,990	(5,131)
Roading and footpaths	3,460	3,873	(413)	33,953	35,074	(1,121)	45,469	46,034	(565)
Internal support	2,298	2,417	(119)	15,253	15,567	(314)	20,852	16,145	4,707
Auckland Council operating funding	19,178	19,178	-	172,603	172,603	-	230,138	230,138	-
<b>Total operating income</b>	<b>49,887</b>	<b>52,435</b>	<b>(2,548)</b>	<b>435,005</b>	<b>441,357</b>	<b>(6,352)</b>	<b>593,351</b>	<b>603,986</b>	<b>(10,635)</b>
<b>Operating Expenditure</b>									
Rail	12,884	12,792	(92)	99,802	99,347	(455)	139,199	147,095	7,896
Bus	12,617	14,852	2,235	113,669	116,041	2,372	159,409	157,836	(1,573)
Ferry	1,105	1,458	353	10,348	11,006	658	15,221	14,915	(306)
Other Public Transport	3,494	4,421	927	29,345	30,791	1,446	43,220	44,025	805
Parking	1,003	1,178	175	9,128	9,593	465	13,340	14,566	1,226
Enforcement	1,747	1,583	(164)	14,744	14,776	32	20,124	20,976	852
Roading and footpaths	10,159	10,327	168	82,748	83,862	1,114	116,040	115,997	(43)
Internal support	7,371	8,490	1,119	58,093	60,872	2,779	88,833	87,857	(976)
Depreciation	23,520	23,759	239	204,313	205,308	995	276,584	253,421	(23,163)
<b>Total operating expenditure</b>	<b>73,900</b>	<b>78,860</b>	<b>4,960</b>	<b>621,990</b>	<b>631,596</b>	<b>9,606</b>	<b>871,970</b>	<b>856,688</b>	<b>(15,282)</b>
<b>Profit/(loss) from Operations</b>	<b>(24,013)</b>	<b>(26,425)</b>	<b>2,412</b>	<b>(186,985)</b>	<b>(190,239)</b>	<b>3,254</b>	<b>(278,619)</b>	<b>(252,702)</b>	<b>(25,917)</b>

## Section 2c - Rail Operations for the nine months ended 31 March 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Activity Income	3,111	2,858	253	21,862	21,656	206	29,378	29,715	(337)
Other income	88	92	(4)	791	773	18	1,045	1,460	(415)
NZTA operating subsidy	4,880	4,977	(97)	38,997	39,025	(28)	54,933	62,305	(7,372)
NZTA operating subsidy - Electric Trains	903	904	(1)	6,634	6,636	(2)	9,495	11,597	(2,102)
<b>Total operating income</b>	<b>8,982</b>	<b>8,831</b>	<b>151</b>	<b>68,284</b>	<b>68,090</b>	<b>194</b>	<b>94,851</b>	<b>105,077</b>	<b>(10,226)</b>
<b>Operating Expenditure</b>									
Personnel costs	200	215	15	1,354	1,392	38	2,136	2,343	207
Capitalised personnel costs	(2)	20	22	(90)	(49)	41	(109)	-	109
Service delivery costs and professional services	9,039	8,691	(348)	73,047	71,977	(1,070)	99,135	101,554	2,419
Occupancy costs	352	453	101	3,083	3,233	150	4,635	4,660	25
Track access charges	1,735	1,717	(18)	9,706	10,244	538	15,138	15,258	120
Other expenditure	317	452	135	3,018	3,068	50	4,577	4,995	418
Finance costs (Electric Trains)	1,243	1,244	1	9,484	9,482	(2)	13,687	18,285	4,598
<b>Total operating expenditure</b>	<b>12,884</b>	<b>12,792</b>	<b>(92)</b>	<b>99,802</b>	<b>99,347</b>	<b>(255)</b>	<b>139,199</b>	<b>147,095</b>	<b>7,896</b>
Depreciation	3,290	3,306	16	29,435	29,469	34	39,388	33,897	(5,491)
<b>Surplus/(deficit) from Operations</b>	<b>(7,192)</b>	<b>(7,267)</b>	<b>75</b>	<b>(60,753)</b>	<b>(60,726)</b>	<b>(27)</b>	<b>(83,736)</b>	<b>(75,915)</b>	<b>(7,821)</b>
Internal support costs	1,645	2,027	382	13,540	14,428	888	21,782	21,727	(55)
<b>Surplus/(deficit)</b>	<b>(8,837)</b>	<b>(9,294)</b>	<b>457</b>	<b>(74,293)</b>	<b>(75,154)</b>	<b>861</b>	<b>(105,518)</b>	<b>(97,642)</b>	<b>(7,876)</b>

### Major variance explanations:

#### Operating Income

Activity income is favourable year to date mainly due to higher rail patronage than forecast.

NZTA subsidy for the full year is forecast to be lower than budget due to subsidy that was budgeted as operating but is actually renewal.

NZTA subsidy for Electric Trains for the full year is forecast to be lower than budget due to lower than budgeted interest costs, resulting from lower than planned borrowings.

#### Operating Expenditure

Service delivery costs are higher for the year to date and month due to TansDev contract costs occurring earlier than forecast.

Track access charges are favourable for the year to date and month due to delays in planned works.

Finance costs for the full year have been forecast down due to lower than planned borrowings.



## Section 2c - Bus Operations for the nine months ended 31 March 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Activity Income	938	912	26	8,795	8,471	324	11,094	10,620	474
Other income	40	8	32	1,723	1,685	38	2,145	2,238	(93)
NZTA operating subsidy	6,577	7,608	(1,031)	57,252	58,842	(1,590)	79,822	80,330	(508)
<b>Total operating income</b>	<b>7,555</b>	<b>8,528</b>	<b>(973)</b>	<b>67,770</b>	<b>68,998</b>	<b>(1,228)</b>	<b>93,061</b>	<b>93,188</b>	<b>(127)</b>
<b>Operating Expenditure</b>									
Personnel costs	213	210	(3)	1,567	1,623	56	2,387	2,605	218
Capitalised personnel costs	(4)	11	15	206	195	(11)	238	-	(238)
Service delivery costs and professional services	12,341	14,484	2,143	110,565	112,779	2,214	154,867	151,861	(3,006)
Occupancy costs	35	101	66	703	807	104	1,140	2,463	1,323
Other expenditure	32	46	14	628	637	9	777	907	130
<b>Total operating expenditure</b>	<b>12,617</b>	<b>14,852</b>	<b>2,235</b>	<b>113,669</b>	<b>116,041</b>	<b>2,372</b>	<b>159,409</b>	<b>157,836</b>	<b>(1,573)</b>
Depreciation	127	134	7	1,085	1,100	15	1,501	658	(843)
<b>Surplus/(deficit) from Operations</b>	<b>(5,189)</b>	<b>(6,458)</b>	<b>1,269</b>	<b>(46,984)</b>	<b>(48,143)</b>	<b>1,159</b>	<b>(67,849)</b>	<b>(65,306)</b>	<b>(2,543)</b>
Internal support costs	1,765	2,175	410	14,529	15,482	953	23,372	23,314	(58)
<b>Surplus/(deficit)</b>	<b>(6,954)</b>	<b>(8,633)</b>	<b>1,679</b>	<b>(61,513)</b>	<b>(63,625)</b>	<b>2,112</b>	<b>(91,221)</b>	<b>(88,620)</b>	<b>(2,601)</b>

### Major variance explanations:

#### Operating Income

NZTA operating subsidy is lower than forecast year to date due to lower than forecast expenditure.

#### Operating Expenditure

Service delivery costs are lower than forecast for the year to date and month due to indexation allowances on bus contract costs being lower than forecast, and delayed costs for implementation of new services and contractor costs.

**Section 2c - Ferry Operations for the nine months ended 31 March 2014**

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Operator access fees	253	229	24	2,461	2,411	50	3,084	3,075	9
Activity Income	52	50	2	432	445	(13)	580	500	80
Other Income	63	64	(1)	585	585	-	791	787	4
NZTA operating subsidy	366	574	(208)	3,432	3,828	(396)	5,533	5,470	63
<b>Total operating income</b>	<b>734</b>	<b>917</b>	<b>(183)</b>	<b>6,910</b>	<b>7,269</b>	<b>(359)</b>	<b>9,988</b>	<b>9,832</b>	<b>156</b>
<b>Operating Expenditure</b>									
Personnel costs	62	71	9	496	519	23	761	781	20
Capitalised personnel costs	-	9	9	(71)	(79)	(8)	(185)	(22)	163
Service delivery costs and professional services	875	1,165	290	7,968	8,567	599	11,950	10,940	(1,010)
Other expenditure	168	213	45	1,955	1,999	44	2,695	3,216	521
<b>Total operating expenditure</b>	<b>1,105</b>	<b>1,458</b>	<b>353</b>	<b>10,348</b>	<b>11,006</b>	<b>658</b>	<b>15,221</b>	<b>14,915</b>	<b>(306)</b>
Depreciation	177	177	-	1,577	1,577	-	2,107	2,074	(33)
<b>Surplus/(deficit) from Operations</b>	<b>(548)</b>	<b>(718)</b>	<b>170</b>	<b>(5,015)</b>	<b>(5,314)</b>	<b>299</b>	<b>(7,340)</b>	<b>(7,157)</b>	<b>(183)</b>
Internal support costs	167	206	39	1,373	1,463	90	2,209	2,203	(6)
<b>Surplus/(deficit)</b>	<b>(715)</b>	<b>(924)</b>	<b>209</b>	<b>(6,388)</b>	<b>(6,777)</b>	<b>389</b>	<b>(9,549)</b>	<b>(9,360)</b>	<b>(189)</b>

**Major variance explanations:**

**Operating Expenditure**

Service delivery costs are lower than forecast year to date due to delayed implementation of new services.

## Section 2c - Other Public Transport Operations for the nine months ended 31 March 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Other Income	584	473	111	2,990	2,741	249	4,145	2,984	1,161
NZTA operating subsidy	835	1,982	(1,147)	12,761	16,154	(3,393)	21,227	21,656	(429)
<b>Total operating income</b>	<b>1,419</b>	<b>2,455</b>	<b>(1,036)</b>	<b>15,751</b>	<b>18,895</b>	<b>(3,144)</b>	<b>25,372</b>	<b>24,640</b>	<b>732</b>
<b>Operating Expenditure</b>									
Personnel costs	1,344	1,351	7	10,231	10,414	183	14,598	14,838	240
Capitalised personnel costs	(95)	22	117	(526)	(342)	184	(445)	(636)	(191)
Service delivery costs and professional services	1,460	2,133	673	12,225	13,114	889	18,571	23,618	5,047
IT costs	33	129	96	1,293	1,386	93	1,780	1,635	(145)
Other expenditure	752	786	34	6,122	6,219	97	8,716	4,570	(4,146)
<b>Total operating expenditure</b>	<b>3,494</b>	<b>4,421</b>	<b>927</b>	<b>29,345</b>	<b>30,791</b>	<b>1,446</b>	<b>43,220</b>	<b>44,025</b>	<b>805</b>
Depreciation	746	938	192	6,815	7,199	384	10,014	8,698	(1,316)
<b>Surplus/(deficit) from Operations</b>	<b>(2,821)</b>	<b>(2,904)</b>	<b>83</b>	<b>(20,409)</b>	<b>(19,095)</b>	<b>(1,314)</b>	<b>(27,862)</b>	<b>(28,083)</b>	<b>221</b>
Internal support costs	492	607	115	4,053	4,318	265	6,519	6,503	(16)
<b>Surplus/(deficit)</b>	<b>(3,313)</b>	<b>(3,511)</b>	<b>198</b>	<b>(24,462)</b>	<b>(23,413)</b>	<b>(1,049)</b>	<b>(34,381)</b>	<b>(34,586)</b>	<b>205</b>

### Major variance explanations:

#### Operating Income

NZTA subsidy for the year to date and month is lower than forecast due to the NZTA funding limit being reached. AT is currently working with NZTA to get a reallocation of the NZTA funding within Public Transport activity approved.

#### Operating Expenditure

Service delivery costs for the year to date and month are favourable due to delayed expenditure.

**Section 2c - Parking Operations for the nine months ended 31 March 2014**

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Other income	96	72	24	693	664	29	880	771	109
Parking fees	3,263	3,096	167	27,613	27,579	34	36,881	37,171	(290)
<b>Total operating income</b>	<b>3,359</b>	<b>3,168</b>	<b>191</b>	<b>28,306</b>	<b>28,243</b>	<b>63</b>	<b>37,761</b>	<b>37,942</b>	<b>(181)</b>
<b>Operating Expenditure</b>									
Personnel costs	245	303	58	2,298	2,345	47	3,238	1,870	(1,368)
Capitalised personnel costs	(66)	(17)	49	(156)	(134)	22	(184)	(202)	(18)
Service delivery costs and professional services	305	358	53	2,078	2,261	183	3,327	4,315	988
Occupancy costs	451	465	14	4,294	4,468	174	5,990	6,518	528
(Profit)/loss on disposal of assets	-	-	-	52	52	-	52	-	-
Other expenditure	68	69	1	562	601	39	917	2,065	1,148
<b>Total operating expenditure</b>	<b>1,003</b>	<b>1,178</b>	<b>175</b>	<b>9,128</b>	<b>9,593</b>	<b>465</b>	<b>13,340</b>	<b>14,566</b>	<b>1,278</b>
Depreciation	588	590	2	5,293	5,298	5	7,067	6,442	(625)
<b>Surplus/(deficit) from Operations</b>	<b>1,768</b>	<b>1,400</b>	<b>368</b>	<b>13,885</b>	<b>13,352</b>	<b>533</b>	<b>17,354</b>	<b>16,934</b>	<b>472</b>
Internal support costs	163	201	38	1,341	1,429	88	2,157	2,152	(5)
<b>Surplus/(deficit)</b>	<b>1,605</b>	<b>1,199</b>	<b>406</b>	<b>12,544</b>	<b>11,923</b>	<b>621</b>	<b>15,197</b>	<b>14,782</b>	<b>467</b>

**Major variance explanations:**

**Operating Expenditure**

Personnel costs for the full year are higher than budget due to a restructure moving personnel who were budgeted for under enforcement into parking.

Service delivery costs for the year to date are favourable due to delayed maintenance costs.

Occupancy costs are favourable for the year to date due to lower than forecast Auckland Council rates.

## Section 2c - Enforcement Operations for the nine months ended 31 March 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Infringement income	2,902	3,068	(166)	26,175	26,618	(443)	35,859	40,990	(5,131)
<b>Total operating income</b>	<b>2,902</b>	<b>3,068</b>	<b>(166)</b>	<b>26,175</b>	<b>26,618</b>	<b>(443)</b>	<b>35,859</b>	<b>40,990</b>	<b>(5,131)</b>
<b>Operating Expenditure</b>									
Personnel costs	886	809	(77)	7,938	7,900	(38)	10,893	11,906	1,013
Capitalised personnel costs	26	-	(26)	79	56	(23)	56	-	(56)
Service delivery costs and professional services	172	145	(27)	1,331	1,293	(38)	1,730	1,607	(123)
Other expenditure	663	629	(34)	5,396	5,527	131	7,445	7,463	18
<b>Total operating expenditure</b>	<b>1,747</b>	<b>1,583</b>	<b>(164)</b>	<b>14,744</b>	<b>14,776</b>	<b>32</b>	<b>20,124</b>	<b>20,976</b>	<b>852</b>
Depreciation	40	40	-	240	240	-	360	1,091	731
<b>Surplus/(deficit) from Operations</b>	<b>1,115</b>	<b>1,445</b>	<b>(330)</b>	<b>11,191</b>	<b>11,602</b>	<b>(411)</b>	<b>15,375</b>	<b>18,923</b>	<b>(3,548)</b>
Internal support costs	235	289	54	1,931	2,057	126	3,106	3,098	(8)
<b>Surplus/(deficit)</b>	<b>880</b>	<b>1,156</b>	<b>(276)</b>	<b>9,260</b>	<b>9,545</b>	<b>(285)</b>	<b>12,269</b>	<b>15,825</b>	<b>(3,556)</b>

### Major variance explanations:

#### Operating Income

Infringement income year to date was unfavourable due to lower than forecasted receipts from external collection agencies.

#### Operating Expenditure

Personnel costs for the full year are lower than budget due to restructure moving personnel who were budgeted for under enforcement into parking.

## Section 2c - Roading and Footpaths Operations for the nine months ended 31 March 2014

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Petrol tax	675	723	(48)	6,370	6,419	(49)	8,588	8,677	(89)
Other income	469	314	155	2,930	2,935	(5)	3,883	2,795	1,088
NZTA operating subsidy	2,316	2,836	(520)	24,653	25,720	(1,067)	32,998	34,562	(1,564)
<b>Total operating income</b>	<b>3,460</b>	<b>3,873</b>	<b>(413)</b>	<b>33,953</b>	<b>35,074</b>	<b>(1,121)</b>	<b>45,469</b>	<b>46,034</b>	<b>(565)</b>
<b>Operating Expenditure</b>									
Personnel costs	1,446	1,479	33	12,581	12,802	221	17,927	17,154	(773)
Capitalised personnel costs	(302)	(392)	(90)	(3,317)	(3,323)	(6)	(4,444)	(5,459)	(1,015)
Service delivery costs and professional services	7,583	7,665	82	59,562	60,662	1,100	83,622	84,300	678
Occupancy costs	1,079	1,097	18	11,039	10,554	(485)	14,423	15,347	924
IT costs	24	153	129	144	390	246	741	2,249	1,508
(Profit)/loss on disposal of assets	-	-	-	(364)	(364)	-	(364)	-	364
Other expenditure	329	325	(4)	3,103	3,141	38	4,135	2,406	(1,729)
<b>Total operating expenditure</b>	<b>10,159</b>	<b>10,327</b>	<b>168</b>	<b>82,748</b>	<b>83,862</b>	<b>1,114</b>	<b>116,040</b>	<b>115,997</b>	<b>(43)</b>
Depreciation	17,861	17,544	(317)	155,212	155,123	(89)	207,755	196,142	(11,613)
<b>Surplus/(deficit) from Operations</b>	<b>(24,560)</b>	<b>(23,998)</b>	<b>(562)</b>	<b>(204,007)</b>	<b>(203,911)</b>	<b>(96)</b>	<b>(278,326)</b>	<b>(266,105)</b>	<b>(12,221)</b>
Internal support costs	1,297	1,599	302	10,678	11,378	700	17,177	17,134	(43)
<b>Surplus/(deficit)</b>	<b>(25,857)</b>	<b>(25,597)</b>	<b>(260)</b>	<b>(214,685)</b>	<b>(215,289)</b>	<b>604</b>	<b>(295,503)</b>	<b>(283,239)</b>	<b>(12,264)</b>

### Operating Income

NZTA operating subsidy was lower than forecast for the year to date due to lower than forecast expenditure.

### Operating Expenditure

Service delivery costs year to date were favourable mainly due to delayed Road Corridor Maintenance contractor costs.

Occupancy costs were unfavourable for the year to date due to higher than forecast street lighting costs as Auckland Council and NZTA have transferred street lights to Auckland Transport.

Loss on disposal of assets for the full year relates to release of revaluation reserve on transfer of property assets to Auckland Council.

**Section 2c - Internal support for the nine months ended 31 March 2014**

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Other income	1,133	1,282	(149)	7,395	7,471	(76)	10,658	12,149	(1,491)
NZTA operating subsidy	1,165	1,135	30	7,858	8,096	(238)	10,194	3,996	6,198
<b>Total operating income</b>	<b>2,298</b>	<b>2,417</b>	<b>(119)</b>	<b>15,253</b>	<b>15,567</b>	<b>(314)</b>	<b>20,852</b>	<b>16,145</b>	<b>4,707</b>
<b>Operating Expenditure</b>									
Personnel costs	5,185	5,069	(116)	42,839	43,005	166	60,984	56,973	(4,011)
Capitalised personnel costs	(2,289)	(2,099)	190	(17,458)	(17,222)	236	(22,892)	(18,036)	4,856
Directors Fees	42	33	(9)	359	342	(17)	441	399	(42)
Service delivery costs and professional services	2,069	3,436	1,367	15,734	17,808	2,074	27,058	21,062	(5,996)
Other expenditure	2,364	2,051	(313)	16,619	16,939	320	23,242	27,459	4,217
<b>Total operating expenditure</b>	<b>7,371</b>	<b>8,490</b>	<b>1,119</b>	<b>58,093</b>	<b>60,872</b>	<b>2,779</b>	<b>88,833</b>	<b>87,857</b>	<b>(976)</b>
Depreciation	691	1,030	339	4,656	5,302	646	8,392	4,419	(3,973)
Taxation	-	-	-	(52)	(52)	-	(52)	-	52
<b>Surplus/(deficit) before allocation of costs</b>	<b>(5,764)</b>	<b>(7,103)</b>	<b>1,339</b>	<b>(47,444)</b>	<b>(50,555)</b>	<b>3,111</b>	<b>(76,321)</b>	<b>(76,131)</b>	<b>(190)</b>
Internal support costs	(5,764)	(7,103)	(1,339)	(47,444)	(50,555)	(3,111)	(76,321)	(76,131)	190
<b>Total internal support allocation</b>	<b>(5,764)</b>	<b>(7,103)</b>	<b>(1,339)</b>	<b>(47,444)</b>	<b>(50,555)</b>	<b>(3,111)</b>	<b>(76,321)</b>	<b>(76,131)</b>	<b>190</b>
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Operating Expenditure**

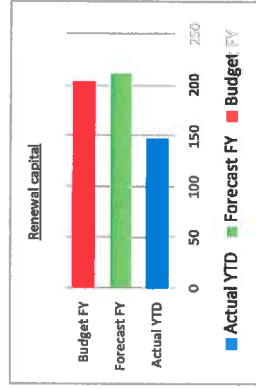
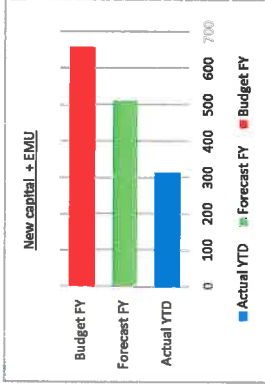
Service delivery costs for year to date and month were favourable due to delayed projects costs.

**Section 3a - Summary of Capital Expenditure for the nine months ended 31 March 2014**  
Split by activity

Activity	Current month			Year to date			Full year			
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Results Achieved	Forecast \$000	Budget \$000	Variance \$000
<b>New capital expenditure</b>										
Roads and footpaths	12,846	24,284	11,438	139,820	153,392	13,572	🟡	228,619	232,562	3,943
Public transport	13,056	13,246	190	68,576	69,133	557	🟢	110,798	258,838	148,040
Parking operations	374	158	(216)	613	400	(213)	🟢	1,624	8,299	6,675
Internal support	1,205	2,387	1,182	10,569	12,160	1,591	🟢	23,348	4,712	(18,636)
<b>Total new capital</b>	<b>27,481</b>	<b>40,075</b>	<b>12,594</b>	<b>219,578</b>	<b>235,085</b>	<b>15,507</b>	🟡	<b>364,389</b>	<b>502,411</b>	<b>138,022</b>
<b>Renewal capital expenditure</b>										
Roads and footpaths	20,404	23,186	2,782	138,157	142,269	4,132	🟡	198,463	188,200	(8,263)
Public transport	693	1,171	478	8,443	9,074	631	🟢	12,358	12,722	364
Parking operations	91	51	(40)	863	728	(135)	🟢	2,159	2,121	(38)
Internal support	-	-	-	-	-	-	🟢	-	-	-
<b>Total renewal</b>	<b>21,188</b>	<b>24,408</b>	<b>3,220</b>	<b>147,463</b>	<b>162,091</b>	<b>4,628</b>	🟢	<b>210,980</b>	<b>203,043</b>	<b>(7,937)</b>
<b>Electric multiple units (EMUs)</b>										
Procurement	19,124	19,551	427	85,069	85,916	847	🟢	136,439	135,589	(850)
Depot	61	170	109	6,625	7,289	664	🟢	11,007	18,429	7,422
<b>Total EMUs</b>	<b>19,185</b>	<b>19,721</b>	<b>536</b>	<b>91,694</b>	<b>93,205</b>	<b>1,511</b>	🟢	<b>147,446</b>	<b>154,018</b>	<b>6,572</b>
<b>Total direct capital</b>	<b>67,854</b>	<b>84,204</b>	<b>16,350</b>	<b>458,735</b>	<b>480,381</b>	<b>21,646</b>	🟡	<b>722,815</b>	<b>859,472</b>	<b>136,657</b>
<b>Vested assets</b>	-	-	-	55,569	55,569	-	🟢	55,569	-	(55,569)
<b>Total capital</b>	<b>67,854</b>	<b>84,204</b>	<b>16,350</b>	<b>514,304</b>	<b>535,950</b>	<b>21,646</b>	🟡	<b>778,384</b>	<b>859,472</b>	<b>81,088</b>

Notes: (Year to date)

- New - Road and footpaths:** \$13.6m underspend is mainly due to AMETI (\$6.0m-enabling works slow progress, project variations for approval and delay caused by finalisation of key procurement plans) and Smales Allens Road Widening (\$1.4m - awaiting property acquisition agreements to be signed)
- New - Public transport:** \$0.6m underspend mainly due to lower spend on various PT Improvement projects(\$3.5m, e.g. ATOC fit-out, UPS Rail Wharf network,etc ) partly offset by CRL (\$2.9m overspend - several properties acquired earlier than forecast)
- New - Parking :** \$0.3m overspend is mainly due to carpark equipment project completed ahead of schedule.
- New - Internal Support:** \$1.6m underspend is mainly due to HSBC staff relocation timing.
- Renewal - Roads and footpaths:** \$4.1m underspend is mainly from lower spend on pavement rehabilitation (\$1.4m - rehabilitation cost was put on hold and PO's are being released on a quarterly basis ) and footpath and cycleways renewals (\$1.5m - difficulty of lining up of physical works with the ultra fast broadband project by the Central Government)
- Renewal - Public transport:** \$0.6m underspend is mainly from Rolling Stock renewals.
- Renewal -Parking:** \$0.2m underspend is mainly due to carpark exit realignment, downtown camera upgrade and AT Grade carparks completed ahead of schedule.
- EMU:** \$1.5m underspend is mainly due to late claims from contractors and forex rate differences.
- Vested assets:** \$27.5m land under roads, \$27.8m infrastructure assets and \$0.2m street trees and gardens.



🟢 : Largely on track  
🟡 : Some issues or risks  
🔴 : Project issues or risks



**Section 3b - Summary of Capital Expenditure for the nine months ended 31 March 2014**  
**Split by category**

	Note	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
<b>Core capital expenditure</b>										
New capital										
Capital land acquisition	1	2,279	4,806	2,527	26,135	29,499	3,364	47,129	43,789	(3,340)
Roads and footpaths		9,840	18,473	8,633	110,035	119,984	9,949	174,102	171,527	(2,575)
Public transport		3,809	6,479	2,670	32,761	36,119	3,358	59,026	84,462	25,436
Parking operations		374	158	(216)	613	400	(213)	1,624	8,299	6,675
Internal support		1,190	2,283	1,093	10,354	11,748	1,394	22,151	4,712	(17,439)
<b>Total new capital core expenditure</b>		<b>17,492</b>	<b>32,199</b>	<b>14,707</b>	<b>179,996</b>	<b>197,750</b>	<b>17,852</b>	<b>304,032</b>	<b>312,789</b>	<b>8,757</b>
Renewal										
Roads and footpaths		20,404	23,186	2,782	138,157	142,289	4,132	196,463	185,697	(10,766)
Public transport		893	1,171	478	8,443	9,074	631	12,358	12,722	364
Parking operations		81	51	(40)	863	728	(135)	2,159	2,121	(38)
<b>Total renewal core expenditure</b>		<b>21,188</b>	<b>24,408</b>	<b>3,220</b>	<b>147,463</b>	<b>152,091</b>	<b>4,628</b>	<b>210,980</b>	<b>200,540</b>	<b>(10,440)</b>
<b>Total core capital expenditure</b>		<b>38,680</b>	<b>56,607</b>	<b>17,927</b>	<b>327,361</b>	<b>349,841</b>	<b>22,480</b>	<b>515,012</b>	<b>513,329</b>	<b>(1,683)</b>
Ring fenced capital expenditure										
City Rail Link- others		1,733	1,452	(281)	12,306	11,658	(648)	17,875	30,163	12,288
City Rail Link- land		7,496	5,245	(2,251)	23,047	20,786	(2,261)	32,726	137,214	104,488
EMU depot		61	170	109	6,625	7,289	664	11,007	18,429	7,422
EMU procurement		19,124	19,551	427	85,069	85,916	847	136,439	135,589	(850)
Local Board Initiatives		714	1,109	395	3,793	4,288	495	8,633	15,900	7,267
Others		46	70	24	534	603	69	1,123	8,848	7,725
<b>Total ring fenced capital expenditure</b>		<b>29,174</b>	<b>27,597</b>	<b>(1,577)</b>	<b>131,374</b>	<b>130,540</b>	<b>(834)</b>	<b>207,803</b>	<b>346,143</b>	<b>138,340</b>
<b>Total direct capital excluding vested assets</b>		<b>67,854</b>	<b>84,204</b>	<b>16,350</b>	<b>458,735</b>	<b>480,381</b>	<b>21,646</b>	<b>722,815</b>	<b>859,472</b>	<b>136,657</b>
Vested assets		-	-	-	55,569	55,569	-	55,569	-	(55,569)
<b>Total capital</b>		<b>67,854</b>	<b>84,204</b>	<b>16,350</b>	<b>514,304</b>	<b>535,950</b>	<b>21,646</b>	<b>778,384</b>	<b>859,472</b>	<b>81,088</b>

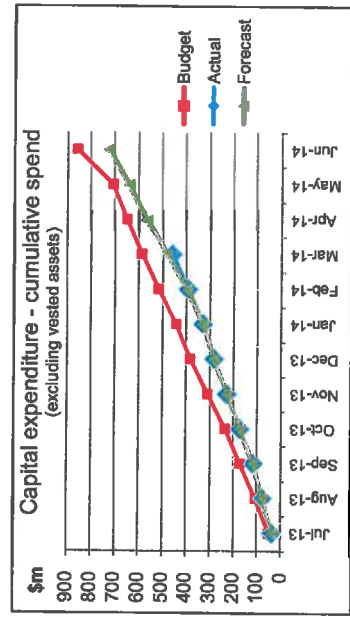
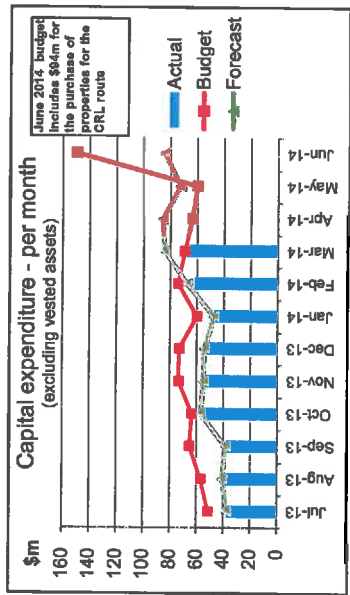
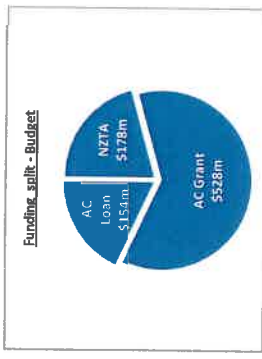
: Largely on track  
 : Some issues or risks  
 : Project issues or risks

Note

1. Capital land acquisition can be related to either roads and footpaths, public transport, parking operations, or internal support activity.

### Section 3c- Capital Expenditure Funding for the nine months ended 31 March 2014

Funding	Current month			Year to date			Full year		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Forecast	Budget	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
NZTA - new capital	6,951	9,070	(2,119)	56,909	60,421	(3,512)	86,987	111,621	(24,634)
NZTA - renewal capital	8,128	9,026	(898)	69,968	70,072	(114)	80,505	66,019	14,486
Other grants and subsidies	-	-	-	-	-	-	-	-	-
Auckland Council funding (Non EMU)	33,590	46,387	(12,797)	240,174	256,683	(16,509)	407,877	527,814	(119,937)
Auckland Council loan (EMU)	19,185	19,721	(536)	91,694	93,205	(1,511)	147,446	154,018	(6,572)
Vested assets	-	-	-	55,569	55,569	-	55,569	-	55,569
<b>Total funding</b>	<b>67,854</b>	<b>84,204</b>	<b>(16,350)</b>	<b>514,304</b>	<b>535,950</b>	<b>(21,646)</b>	<b>779,384</b>	<b>859,472</b>	<b>(81,088)</b>



**Section 4a - Statement of Financial Position  
As at 31 March 2014**

	Note	Actual 31 March 2014 \$000	Actual 28 February 2014 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	67,199	80,387
Trade and other receivables	2	124,170	123,695
Inventories		4,500	4,367
Other assets		2,130	6,664
<b>Total current assets</b>		<b>197,999</b>	<b>215,113</b>
<b>Non-current assets</b>			
Property, plant and equipment - assets		14,093,803	14,069,670
Property, plant and equipment - work-in-progress		702,456	681,815
Intangible assets		87,814	88,259
Amounts due from related parties		46,000	46,000
<b>Total non-current assets</b>		<b>14,930,073</b>	<b>14,885,744</b>
<b>Total assets</b>		<b>15,128,072</b>	<b>15,100,857</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	3	34,979	28,269
Trade and other payables	4	142,724	156,291
Employee benefit liabilities	5	10,818	9,850
Borrowings	6	2,057	1,884
<b>Total current liabilities</b>		<b>190,578</b>	<b>196,294</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	3	13,710	15,066
Employee benefit liabilities	5	851	851
Borrowings	6	289,940	274,352
Deferred tax liability	7	9,121	9,121
<b>Total non-current liabilities</b>		<b>313,622</b>	<b>299,390</b>
<b>Total liabilities</b>		<b>504,200</b>	<b>495,684</b>
<b>Net assets</b>		<b>14,623,872</b>	<b>14,605,173</b>
<b>Equity</b>			
Contributed equity		13,105,072	13,081,136
Retained earnings/(losses)		418,709	418,317
Reserves		1,100,091	1,105,720
<b>Total equity</b>		<b>14,623,872</b>	<b>14,605,173</b>

**Section 4b - Notes to the Financial Statements  
As at 31 March 2014**

	Actual 31 March 2014	Actual 28 February 2014
	\$000	\$000

**1 Cash and cash equivalents**

Cash at bank - Trading	6,281	19,262
Till floats	282	282
Cash investment with Auckland Council	60,636	60,843
<b>Total cash and cash equivalents</b>	<b>67,199</b>	<b>80,387</b>

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

**2 Trade and other receivables**

Trade debtors	5,912	5,811
Finance lease receivable	113	115
Infringements receivable	18,188	17,983
Amounts due from related parties	70,212	69,111
Accrued income	32,996	31,714
Goods and services tax	(985)	1,227
	<b>126,436</b>	<b>125,961</b>
Less provision for impairment of receivables	(2,266)	(2,266)
<b>Total trade and other receivables</b>	<b>124,170</b>	<b>123,695</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 March 2014 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	104,061	-	104,061
Past due 1 - 30 days	3,041	-	3,041
Past due 31 - 60 days	1,392	-	1,392
Past due 61 - 90 days	698	-	698
Past due > 90 days	17,244	(2,266)	14,978
	<b>126,436</b>	<b>(2,266)</b>	<b>124,170</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 \$000</b>
At 1 July 2013	1,754
Additional provisions made	515
Provisions reversed	(3)
Receivables written-off	-
<b>At 31 March 2014</b>	<b>2,266</b>

**Section 4b - Notes to the Financial Statements  
As at 31 March 2014**

	Actual 31 March 2014	Actual 28 February 2014
	\$000	\$000

**3 Derivative financial instruments**

**Current liability portion**

Forward foreign exchange contracts - cash flow hedges	34,979	28,269
Forward foreign exchange contracts - not hedge accounted	-	-
<b>Current derivative financial instruments</b>	<b>34,979</b>	<b>28,269</b>

**Non-current liability portion**

Interest rate swaps - cash flow hedges	2,504	2,780
Forward foreign exchange contracts - cash flow hedges	11,206	12,286
<b>Non-current derivative financial instruments</b>	<b>13,710</b>	<b>15,066</b>
<b>Total derivative financial instrument liabilities</b>	<b>48,689</b>	<b>43,335</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 - not hedge accounted*

The notional principal amount of outstanding forward foreign exchange contracts that were not hedge accounted was NZD \$Nil. The foreign currency principal amount was EUR €Nil.

*Forward foreign exchange contracts - hedge accounted*

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$286m. The foreign currency principal amount was USD \$202m. These cash flow hedges have been accounted for as effective and the loss of \$27.6m 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 \$284m. At 31 March 2014 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.16% to 5.41%. The gain on their revaluation of \$8.97m has been recorded in the Statement of Financial Performance.

**4 Trade and other payables**

Creditors	9,219	24,871
Accrued expenses	112,448	107,504
Retentions	6,175	6,309
Amounts due to related parties	13,828	16,409
Income in advance	1,054	1,198
	<b>142,724</b>	<b>156,291</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 March 2014**

Actual  
31 March 2014      Actual  
28 February 2014  
\$000                      \$000

**5 Employee benefit liabilities**

<b>Current portion</b>		
Accrued salaries and wages	4,374	3,914
Accrued leave	6,444	5,936
<b>Current employee benefit liabilities</b>	<b>10,818</b>	<b>9,850</b>
<b>Non-current portion</b>		
Retirement gratuities	383	383
Long service leave	468	468
<b>Non-current employee benefit liabilities</b>	<b>851</b>	<b>851</b>

**6 Borrowings**

<b>Current portion</b>		
Loans from Auckland Council		
Finance Leases	1,888	1,716
	169	168
<b>Current borrowings</b>	<b>2,057</b>	<b>1,884</b>
<b>Non-current portion</b>		
Loans from Auckland Council		
Finance Leases	289,602	273,999
	338	353
<b>Non-current borrowings</b>	<b>289,940</b>	<b>274,352</b>
Weighted average cost of funds on total borrowings	5.57%	5.55%

Auckland Transport's loan debt of \$291m 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**

	Property, plant and equipment	Other provisions	Tax losses	Actual 31 March 2014 Total
	\$000	\$000	\$000	\$000
Deferred tax liability				
Balance at 1 July 2013	(9,173)	-	-	(9,173)
Charged to profit and loss	52	-	-	52
Charged to equity	-	-	-	-
<b>Balance at 31 March 2014</b>	<b>(9,121)</b>	<b>-</b>	<b>-</b>	<b>(9,121)</b>

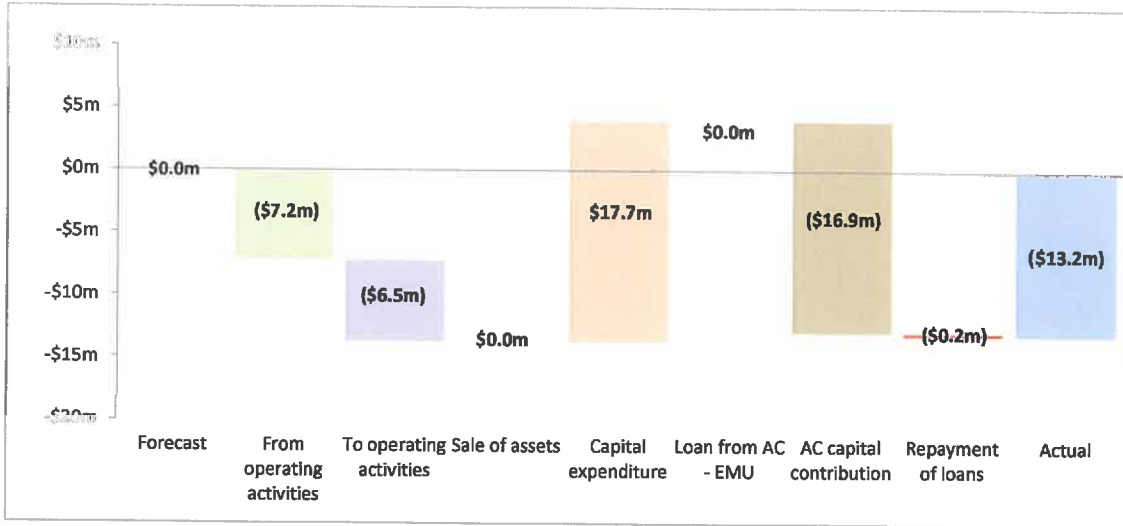
## Section 5a - Cash Flow Rolling Forecast as at 31 March 2014

	Current month		Forecast rolling 3 months		
	Actual	Forecast	Forecast	Forecast	Forecast
	\$000	\$000	Apr 2014	May 2014	Jun 2014
<b>Cash flows from operating activities</b>					
Total cash provided	73,672	80,916	75,207	75,362	70,459
<b>Cash applied to:</b>					
Payments to suppliers, employees and directors	57,566	50,497	49,492	49,950	48,346
Interest paid	918	1,437	1,293	1,427	1,485
Goods and services tax (net)	-	-	-	-	-
<b>Total cash applied</b>	<b>58,484</b>	<b>51,934</b>	<b>50,785</b>	<b>51,377</b>	<b>49,831</b>
<b>Net cash from operating activities</b>	<b>15,188</b>	<b>28,982</b>	<b>24,423</b>	<b>23,985</b>	<b>20,627</b>
<b>Cash flows from investing activities</b>					
<b>Cash provided from:</b>					
Sale of property, plant and equipment	-	-	-	-	-
<b>Total cash provided</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash applied to:</b>					
Capital expenditure projects	68,073	85,850	85,722	72,634	84,078
<b>Total cash applied</b>	<b>68,073</b>	<b>85,850</b>	<b>85,722</b>	<b>72,634</b>	<b>84,078</b>
<b>Net cash from investing activities</b>	<b>(68,073)</b>	<b>(85,850)</b>	<b>(85,722)</b>	<b>(72,634)</b>	<b>(84,078)</b>
<b>Cash flows from financing activities</b>					
<b>Cash provided from:</b>					
Loan from Auckland Council - EMU	16,000	16,000	19,000	12,000	36,000
Capital contribution from Auckland Council	23,937	40,868	42,300	36,649	27,451
<b>Total cash provided</b>	<b>39,937</b>	<b>56,868</b>	<b>61,300</b>	<b>48,649</b>	<b>63,451</b>
<b>Cash applied to:</b>					
Repayments of EMU loan from Auckland Council	225	-	-	-	-
Repayments of finance lease principal	14	-	-	-	-
<b>Total cash provided</b>	<b>239</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>39,698</b>	<b>56,868</b>	<b>61,300</b>	<b>48,649</b>	<b>63,451</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(13,187)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
Opening cash balance	80,386	-	-	-	-
<b>Closing cash balance</b>	<b>67,199</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities		Current month
Surplus/(deficit) after tax		\$000
		1,902
<b>Add/(less) non cash items</b>		
Depreciation and amortisation		23,520
Vested assets		-
Loss on disposal of property, plant and equipment		-
Loss on asset write off		-
Revaluation decrement		-
Foreign exchange gains		-
Loss on interest rate swaps		(277)
Income tax		-
		<b>23,243</b>
<b>Add/(less) movements in working capital</b>		
Decrease/(increase) in debtors and other receivables		25,940
Decrease/(increase) in inventories		(133)
(Decrease)/(increase) in creditors and other payables		(12,589)
(Decrease)/(increase) in employee benefits payable		969
(Decrease)/(increase) in investment funding from AC		(24,144)
		<b>(9,957)</b>
<b>Net cash flow from operating activities</b>		<b>15,188</b>

**Section 5b - Cash flow**

**Cash flow - Current month forecast to actual**





## Section 6 - Accounts Receivable and Accounts Payable Monthly Report.

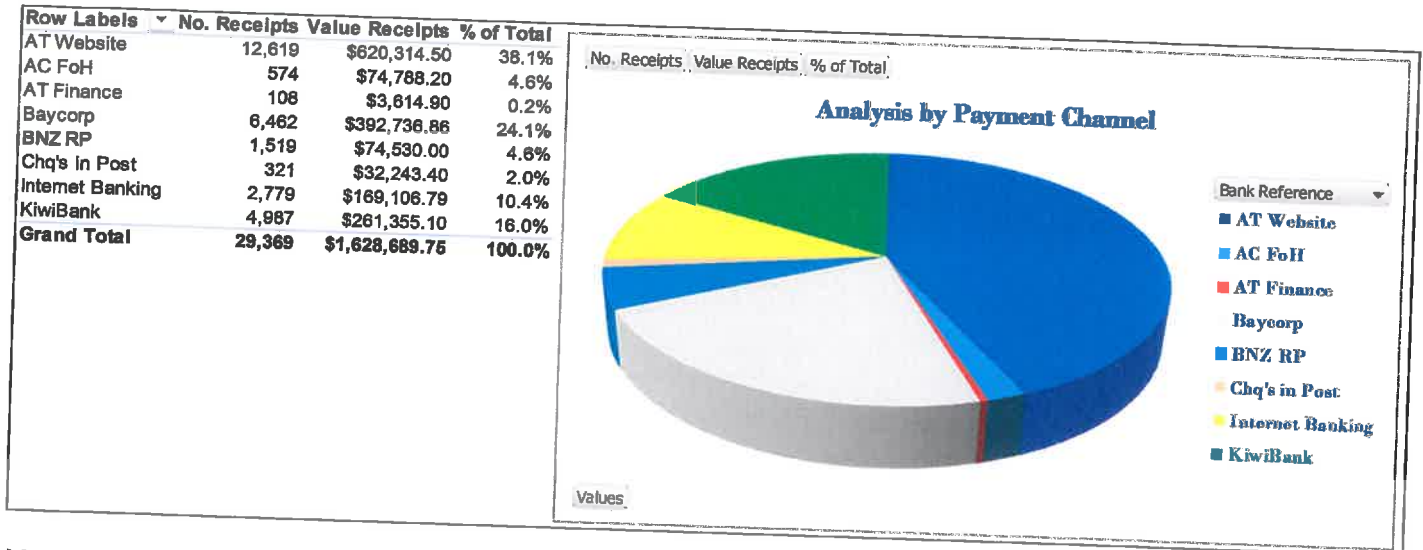
### Accounts Receivable

An overview of the Debtors as at 31 March has 93.5% (96.9% February) of adjusted Debtors in 30 and 60 days.

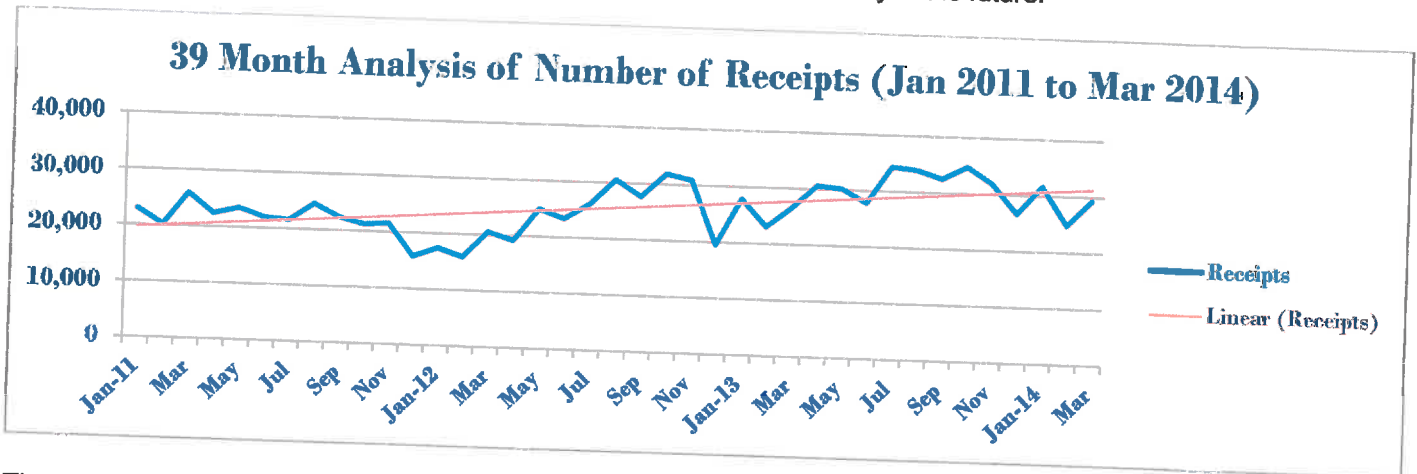
<u>Debtors Ageing Analysis as at 31 March 2014</u>								
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
Debtors Ageing 31 Mar		6,415,288	2,027,807	1,180,087	107,366	15,123	3,084,904	
O/s Related Parties	57	503,114	222,523	147,083	30,751	0	102,757	1
<b>Trade Debtors</b>	<b>119</b>	<b>5,912,174</b>	<b>1,805,285</b>	<b>1,033,003</b>	<b>76,615</b>	<b>15,123</b>	<b>2,982,148</b>	
		100.0%	30.5%	17.5%	1.3%	0.3%	50.4%	
Queried Invoices	252	162,552	6,487	10,201	20,310	6,487	119,067	2
Cell Sites - Property	472	2,666,120	110	23,046	39,050	260	2,603,654	3
To Baycorp (Collection)	502	29,686	0	174	255	0	29,257	4
Parking Access Blocked	141	1,080	0	0	620	0	460	5
Lodged Courts (Damages)	161	132,336	55,790	12,587	1,735	6,662	55,562	6
<b>Adjusted Debtors</b>	<b>N/a</b>	<b>2,920,400</b>	<b>1,742,899</b>	<b>986,995</b>	<b>14,645</b>	<b>1,714</b>	<b>174,147</b>	
		107.3%	64.0%	36.3%	0.5%	0.1%	6.4%	

- 1 - Relates to amounts owed by related parties (inter-company).
- 2 - This comprises invoices which have been queried or disputed by customers. The debtors and the relevant Departments are engaged in an effort to resolve these queries. A matter under query of \$152k has now been resolved and the matter will no longer appear on this report. An amount of \$117k, outstanding from a group of apartment owners relating to increased parking charges under dispute, are with the Property Department who have demanded payment. Property do not feel the debtors have a legal argument, but have allowed them to continue obtaining a legal opinion. An amount of \$91k was provided as doubtful in December in respect of these matters.
- 3 - The outstanding amount relates to ongoing cell sites dispute. Legal opinion has been sought and negotiations continue with the Telco's involved.
- 4 - This section comprises accounts lodged with Baycorp for collection. Some of these outstanding amounts may be written off in the future. All amounts written off are approved by the CFO in compliance with accepted policy.
- 5 - Parking Access Blocked comprises monthly parking leases who have had their access to the various car parks blocked due to non-payment.
- 6 - 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.

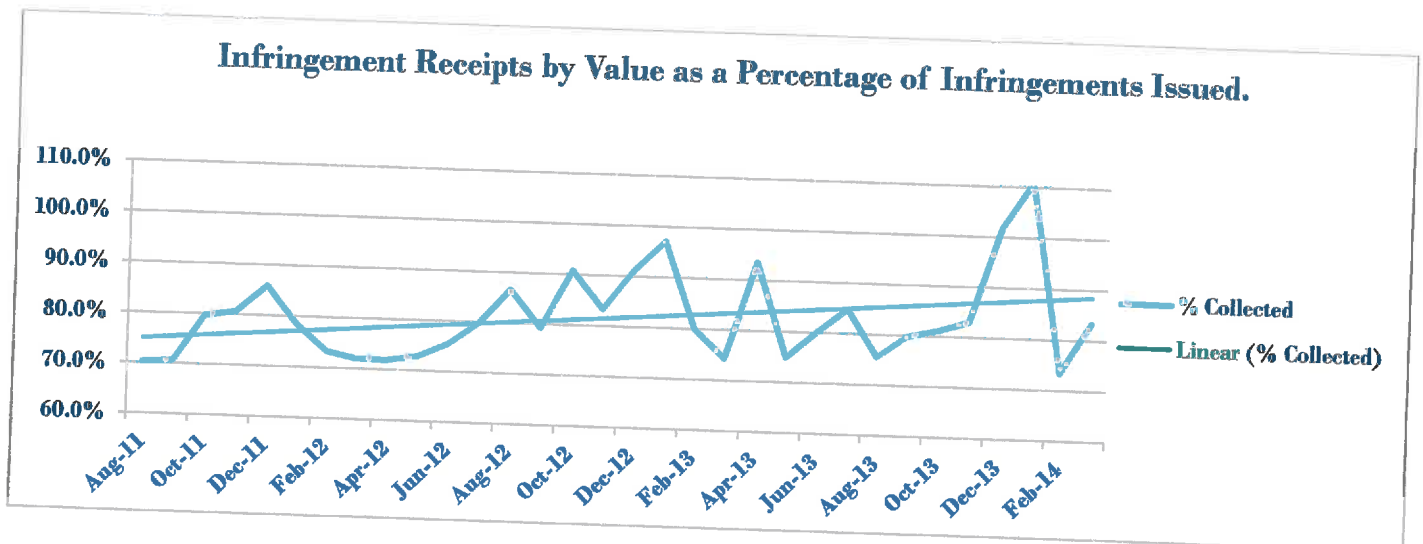
## Infringement Overview



March's Infringement receipts by volume are 18% up on February (21 working days in March compared with 19 in February). The shape of the graph has changed considerably this month with Baycorp's share decreasing 7% (as a result of increased collections in other areas) and the Website and KiwiBank increasing. We expect the Website to increase further in the future following the launch of the DPS product Account2Account. This additional payment channel may reduce the cost of infringement receiving quite considerably in the future.

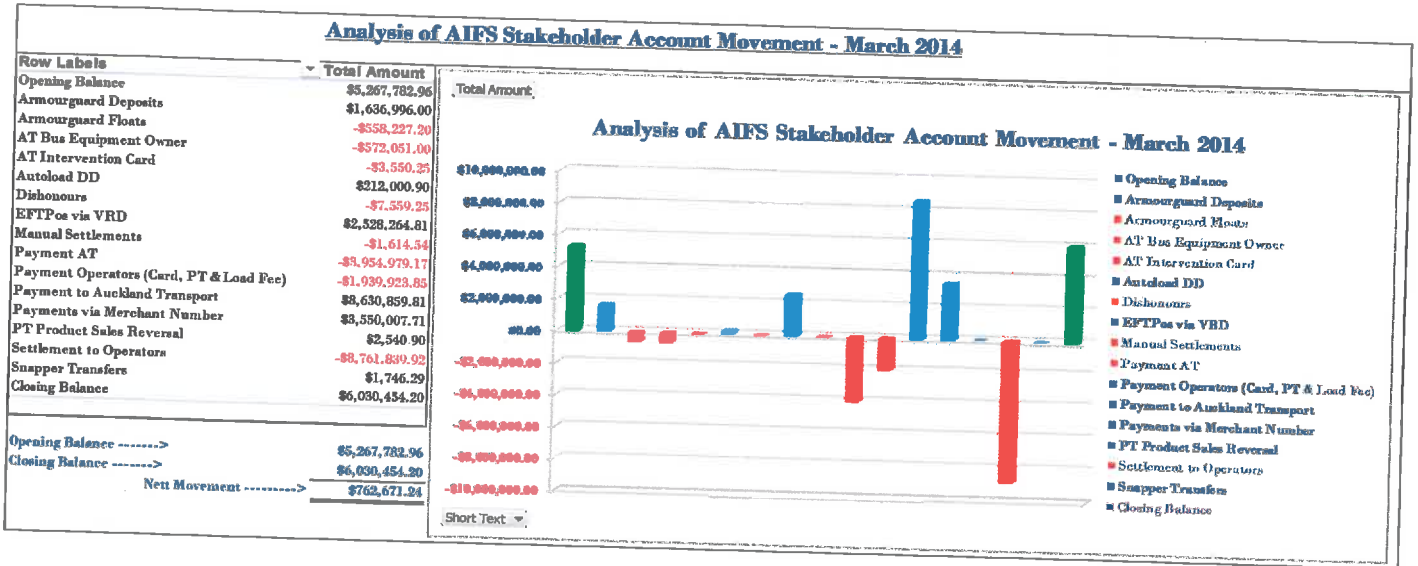


The graph above includes all receipts through AT and Baycorp. The trend line clearly shows improved collection rates over the 3 year period.

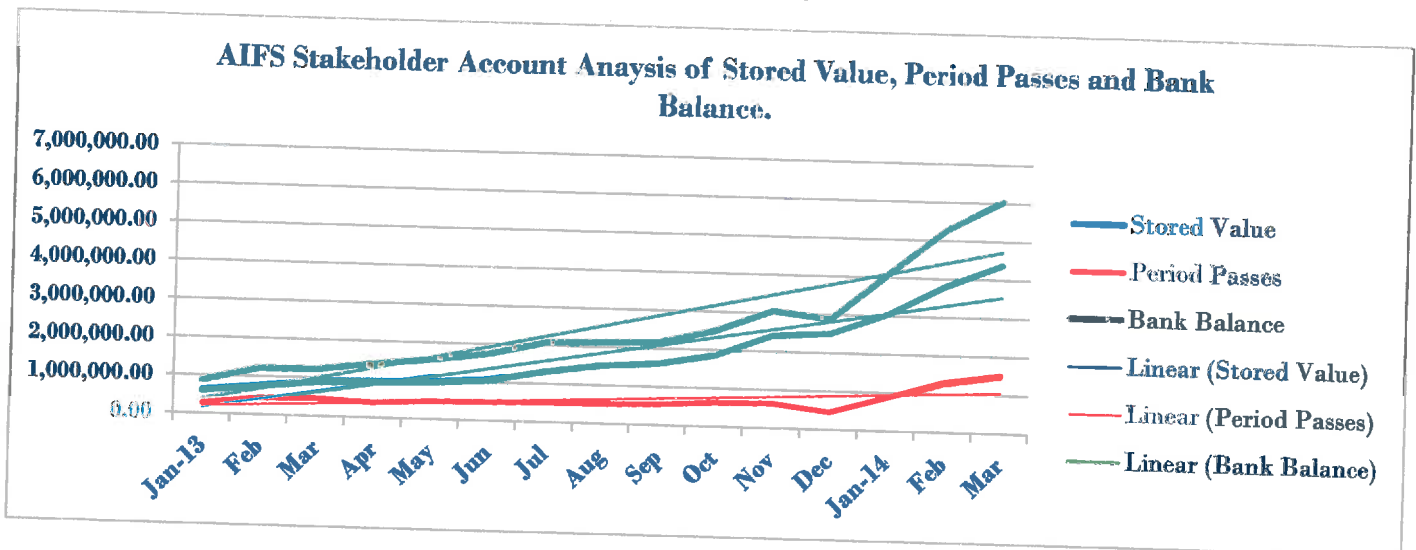


**Section 7 - AIFS Stakeholder Monthly Report (Does not form part of AT results)**

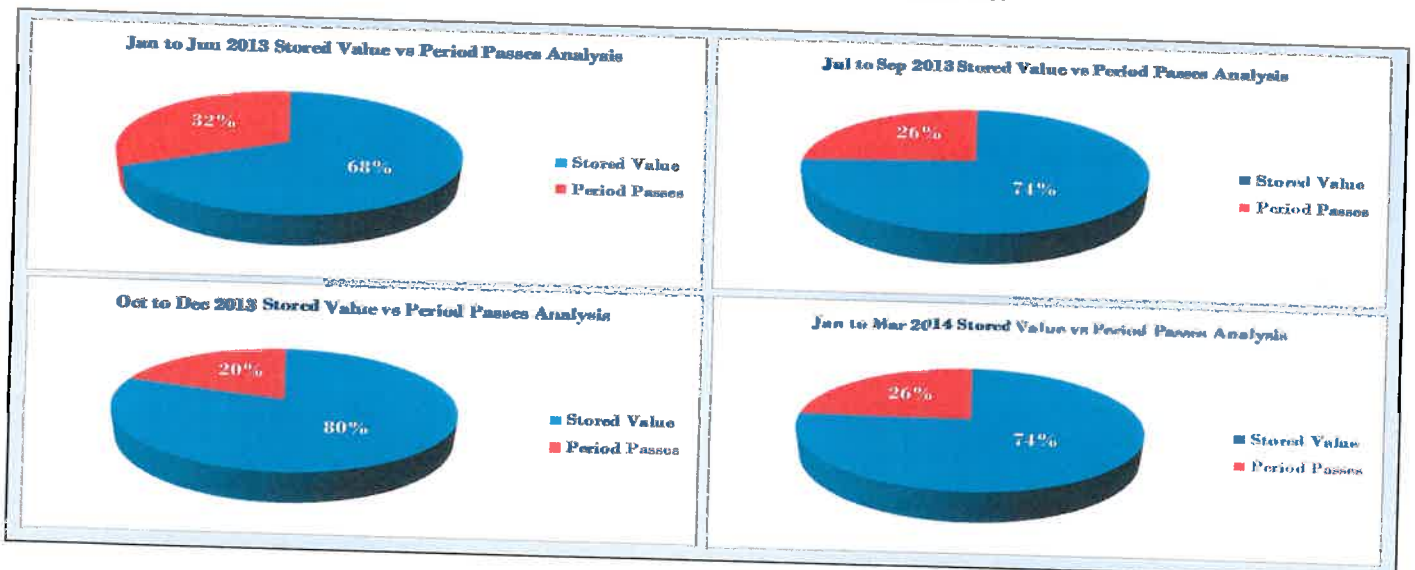
The AIFS Stakeholder bank account increased by 15% in March, following an increase of 29% in the bank balance in February.



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 increased 15% in March while Stored Value and Period Passes showed increases of 15% and 16% respectively.







The pie graphs below illustrate the split between stored value and period passes. Period Passes have, for a third month running, increased in overall percentage to now be 26% of the bank balance.



## Recommendation

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

## Document ownership

Submitted by	Harlem Cabuhat Planning and Reporting Accountant	
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