

Financial Results for the month ended 31 July 2014

This report summarises the Auckland Transport financial results for the month ended 31 July 2014.

Recommendation

That the board:

- i. Receive the report

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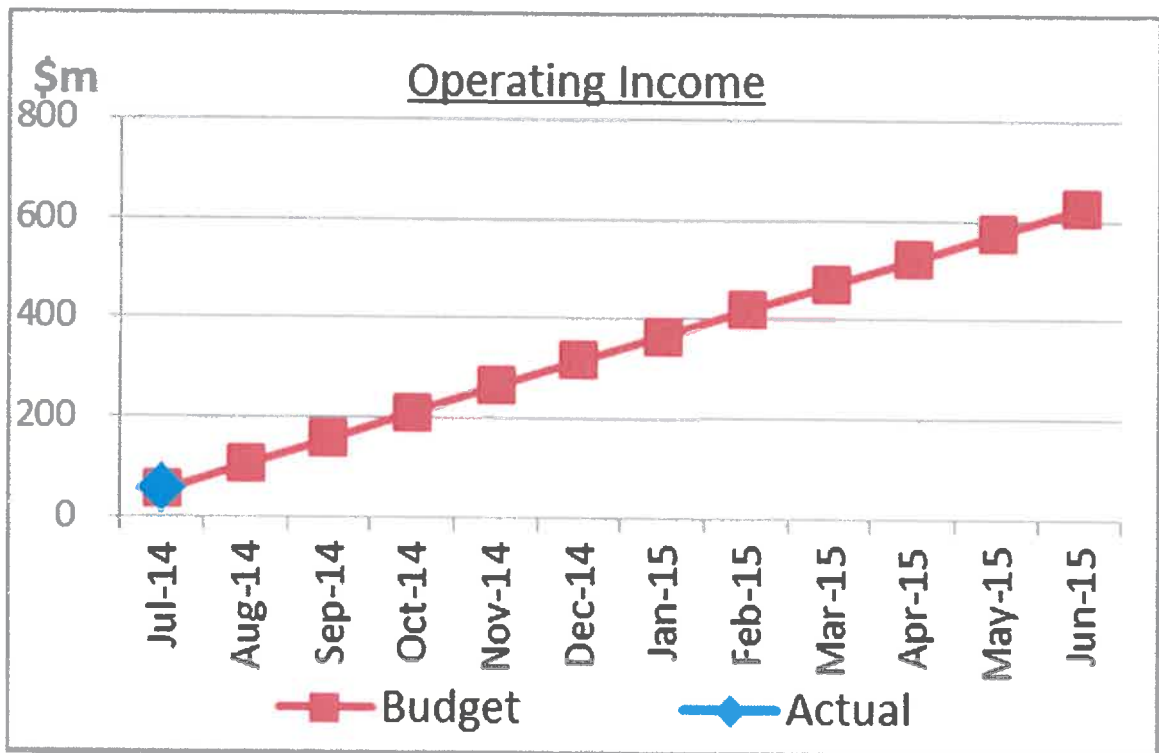
Executive Summary

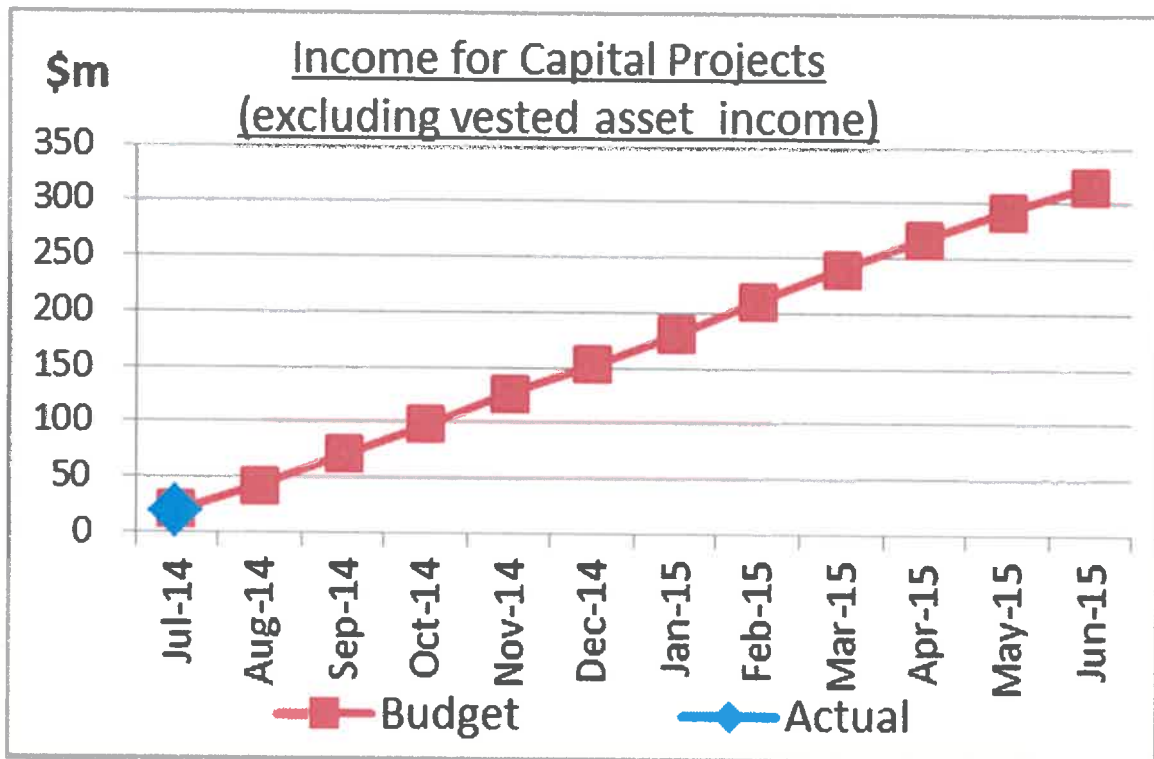
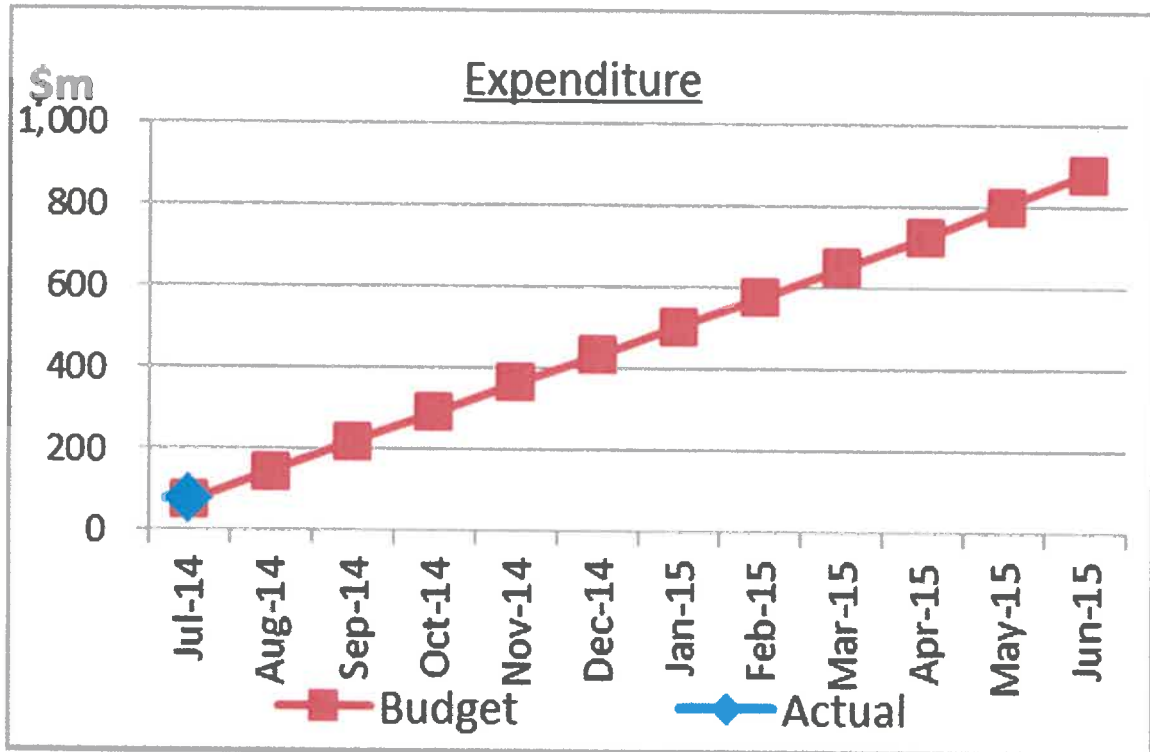
Financial Results for the month ended 31 July 2014:

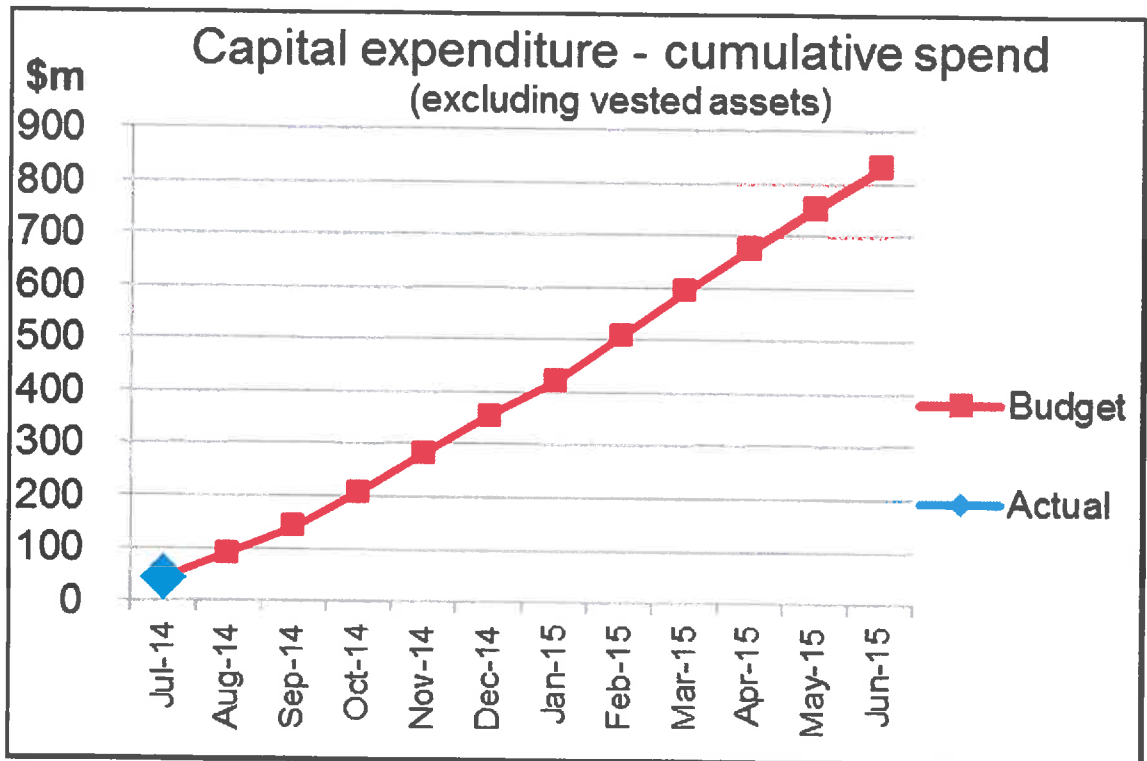
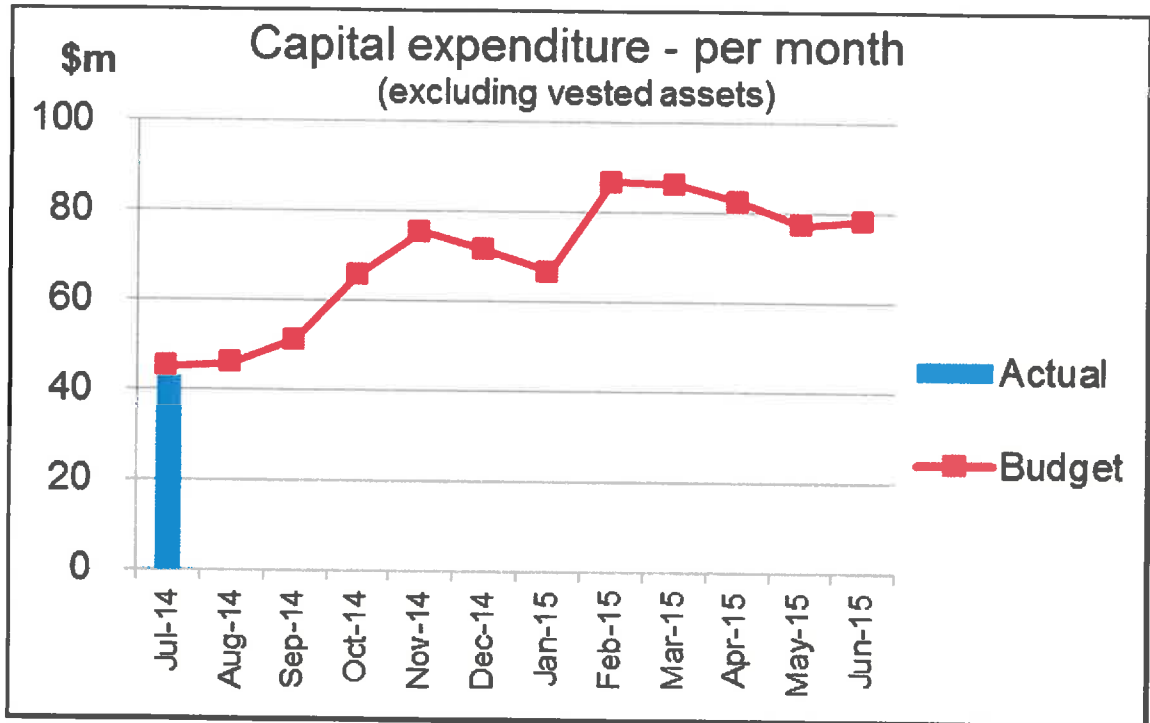
	July Actual \$m	July Budget \$m	Variance \$m	Current month results	Full Year Budget \$m
Total operating income	53.0	52.5	0.5	↑ ●	624.6
Total operating expenditure	74.9	72.5	(2.3)	↑ ●	887.1
Surplus/(deficit) from operations	(21.9)	(20.0)	(1.9)	↓ ●	(262.5)
Income for capital projects	18.3	19.8	(1.6)	↓ ●	316.4
Net surplus/(deficit) before tax	(3.6)	(0.2)	(3.4)	↓ ●	53.9
Total direct capital	43.2	45.2	2.0	↓ ●	833.0

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

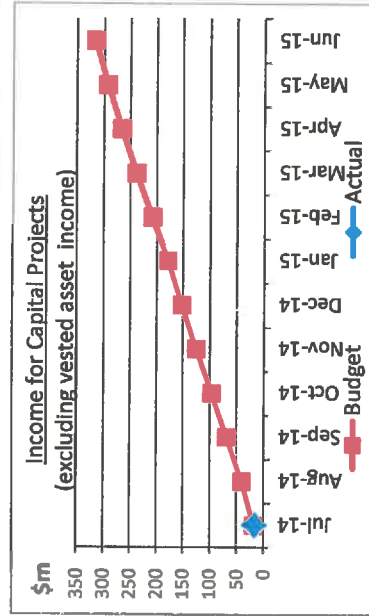
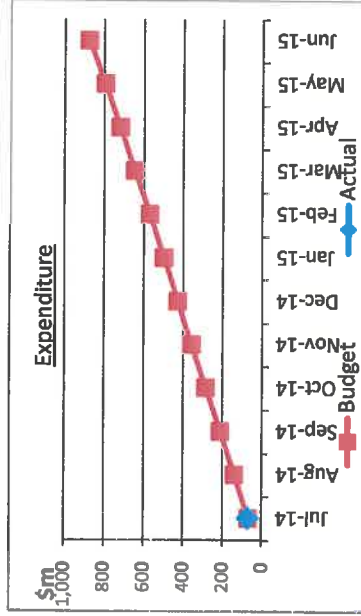
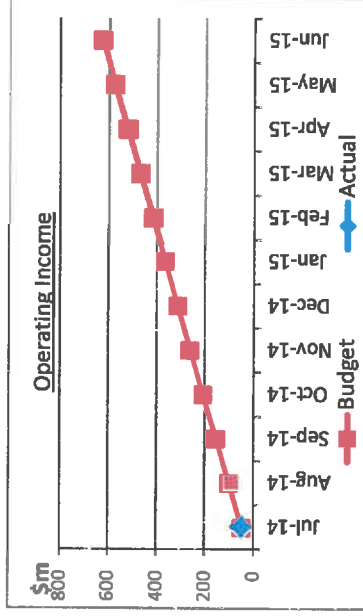






Section 2a - Auckland Transport Financial Results for the month ended 31 July 2014

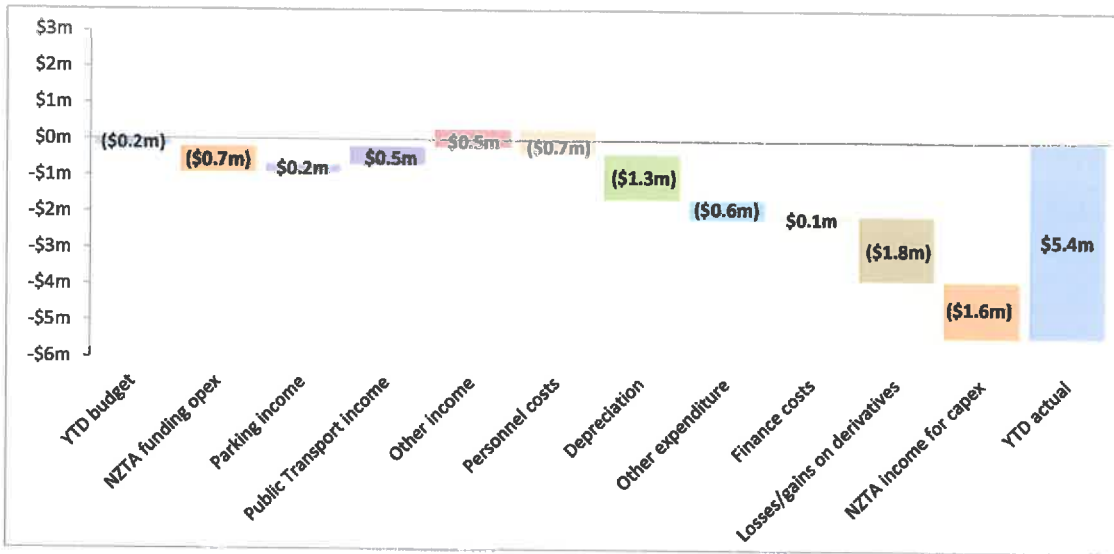
	Current month			Full year	
	Actual \$'000	Budget \$'000	Variance \$'000	Budget \$'000	
Income					
Operating income					
Auckland Council funding	19,632	19,632	-	235,583	
NZ Transport Agency	18,331	19,051	(720)	227,178	
Parking and enforcement income	6,781	6,564	217	79,702	
Public transport income	5,666	5,152	514	56,465	
Other revenue including other grants and subsidies	2,613	2,144	469	25,695	
Total operating income	53,023	52,543	480	624,623	
Expenditure					
Personnel costs	10,734	10,839	105	122,259	
Capitalised personnel costs	(1,881)	(2,648)	(767)	(30,002)	
Depreciation and amortisation expense	23,414	22,167	(1,247)	266,001	
Other expenses	40,983	40,436	(547)	501,592	
Finance costs (Electric Trains)	1,640	1,755	115	27,264	
Total operating expenditure	74,890	72,549	(2,341)	887,114	
Surplus/(deficit) from Operations	(21,867)	(20,006)	(1,861)	(262,491)	
Income for capital projects					
NZ Transport Agency	7,068	8,635	(1,567)	181,918	
Auckland Council capital grant	11,208	11,208	-	134,501	
Other capital grants	-	-	-	-	
Vested asset income	2	-	2	-	
Net surplus/(deficit) before tax and derivatives	18,278	19,843	(1,565)	316,419	
Losses/(gains) on derivatives	1,783	-	(1,783)	-	
Income tax expense/(benefit)	-	-	-	-	
Net surplus/(deficit) after tax and derivatives	(5,372)	(163)	(5,209)	53,928	



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

Section 2b - Net surplus/(deficit) waterfall

Net surplus/(deficit) - Year to date budget to actual (excluding vested asset income)



Section 2c - Summary of financial results by activity for the month ended 31 July 2014

	Current month			Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget 30 Jun 2015 \$000
Operating Income				
Rail	9,195	8,976	219	104,337
Bus	8,073	8,117	(44)	97,222
Ferry	938	968	(30)	10,634
Other Public Transport	2,236	2,271	(35)	28,327
Parking	3,286	3,511	(225)	42,036
Enforcement	3,495	3,053	442	37,666
Roading and footpaths	4,323	4,099	224	45,852
Internal support	1,845	1,916	(71)	22,966
Auckland Council operating funding	19,632	19,632	-	235,583
Total operating income	53,023	52,543	480	624,623
Operating Expenditure				
Rail	13,425	13,356	(69)	154,217
Bus	13,549	13,611	62	167,687
Ferry	1,394	1,511	117	16,656
Other Public Transport	3,345	3,210	(135)	43,393
Parking	1,063	1,270	207	14,470
Enforcement	1,608	1,936	328	19,860
Roading and footpaths	10,016	8,850	(1,166)	116,184
Internal support	7,077	6,637	(440)	88,645
Depreciation	23,413	22,168	(1,245)	266,002
Total operating expenditure	74,890	72,549	(2,341)	887,114
Profit/(loss) from Operations	(21,867)	(20,006)	(1,861)	(262,491)

Section 2c - Rail Operations for the month ended 31 July 2014

	Current month			Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget 30 Jun 2015 \$000
Operating Income				
Activity income	3,140	2,823	317	32,161
Other income	103	54	49	1,460
NZTA operating subsidy	4,820	4,962	(142)	53,174
NZTA operating subsidy - Electric Trains	1,132	1,137	(5)	17,542
Total operating income	9,195	8,976	219	104,337
Operating Expenditure				
Personnel costs	270	208	(62)	2,427
Capitalised personnel costs	5	(10)	(15)	-
Service delivery costs and professional services	9,217	9,120	(97)	96,269
Occupancy costs	572	622	50	4,669
Track access charges	1,172	1,105	(67)	18,922
Other expenditure	549	556	7	4,666
Finance costs (Electric Trains)	1,640	1,755	115	27,264
Total operating expenditure	13,425	13,356	(69)	154,217
Depreciation	2,402	2,221	(181)	26,652
Surplus/(deficit) from Operations	(6,632)	(6,601)	(31)	(76,532)
Internal support costs	1,684	1,621	(63)	22,068
Surplus/(deficit)	(8,316)	(8,222)	(94)	(98,600)

Section 2c - Bus Operations for the month ended 31 July 2014

	Current month			Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget 30 Jun 2015 \$000
Operating Income				
Activity Income	1,114	981	133	10,880
Other income	401	426	(25)	1,874
NZTA operating subsidy	6,558	6,710	(152)	84,468
Total operating income	8,073	8,117	(44)	97,222
Operating Expenditure				
Personnel costs	250	247	(3)	2,822
Capitalised personnel costs	10	-	(10)	-
Service delivery costs and professional services	13,054	13,119	65	162,402
Occupancy costs	98	110	12	1,554
Other expenditure	137	135	(2)	909
Total operating expenditure	13,549	13,611	62	167,687
Depreciation	146	135	(11)	1,615
Surplus/(deficit) from Operations	(5,622)	(5,629)	7	(72,080)
Internal support costs	1,831	1,763	(68)	23,995
Surplus/(deficit)	(7,453)	(7,392)	(61)	(96,075)

Section 2c - Ferry Operations for the month ended 31 July 2014

	Current month			Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget 30 Jun 2015 \$000
Operating Income				
Operator access fees	194	282	(88)	3,114
Activity Income	68	46	22	552
Other Income	61	71	(10)	787
NZTA operating subsidy	615	569	46	6,181
Total operating income	938	968	(30)	10,634
Operating Expenditure				
Personnel costs	108	104	(4)	1,063
Capitalised personnel costs	-	(2)	(2)	(27)
Service delivery costs and professional services	1,057	1,067	10	12,661
Other expenditure	229	342	113	2,959
Total operating expenditure	1,394	1,511	117	16,656
Depreciation	258	194	(64)	2,322
Surplus/(deficit) from Operations	(714)	(737)	23	(8,344)
Internal support costs	182	175	(7)	2,383
Surplus/(deficit)	(896)	(912)	16	(10,727)

Section 2c - Other Public Transport Operations for the month ended 31 July 2014

	Current month			Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget 30 Jun 2015 \$000
Operating Income				
Other Income	585	469	116	5,637
NZTA operating subsidy	1,651	1,802	(151)	22,690
Total operating income	2,236	2,271	(35)	28,327
Operating Expenditure				
Personnel costs	1,258	1,193	(65)	13,589
Capitalised personnel costs	(89)	(118)	(29)	(854)
Service delivery costs and professional services	1,387	1,271	(116)	19,876
IT costs	126	139	13	1,685
Other expenditure	663	725	62	9,097
Total operating expenditure	3,345	3,210	(135)	43,393
Depreciation	1,330	1,111	(219)	13,326
Surplus/(deficit) from Operations	(2,439)	(2,050)	(389)	(28,392)
Internal support costs	474	456	(18)	6,209
Surplus/(deficit)	(2,913)	(2,506)	(407)	(34,601)

Section 2c - Parking Operations for the month ended 31 July 2014

	Current month			Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget 30 Jun 2015 \$000
Operating Income				
Other income	82	72	10	771
Parking fees	3,204	3,439	(235)	41,265
Total operating income	3,286	3,511	(225)	42,036
Operating Expenditure				
Personnel costs	273	345	72	3,418
Capitalised personnel costs	(10)	(18)	(8)	(202)
Service delivery costs and professional services	193	336	143	3,618
Occupancy costs	585	484	(101)	6,033
(Profit)/loss on disposal of assets	-	-	-	-
Other expenditure	22	123	101	1,603
Total operating expenditure	1,063	1,270	207	14,470
Depreciation	546	638	92	7,651
Surplus/(deficit) from Operations	1,677	1,603	74	19,915
Internal support costs	158	152	(6)	2,071
Surplus/(deficit)	1,519	1,451	68	17,844

Section 2c - Enforcement Operations for the month ended 31 July 2014

	Current month			Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget 30 Jun 2015 \$000
Operating Income				
Infringement income	3,495	3,053	442	37,666
Total operating income	3,495	3,053	442	37,666
Operating Expenditure				
Personnel costs	903	922	19	10,105
Capitalised personnel costs	11	-	(11)	-
Service delivery costs and professional services	162	119	(43)	1,497
Other expenditure	532	895	363	8,258
Total operating expenditure	1,608	1,936	328	19,860
Depreciation	2	25	23	300
Surplus/(deficit) from Operations	1,885	1,092	793	17,506
Internal support costs	217	209	(8)	2,842
Surplus/(deficit)	1,668	883	785	14,664

Section 2c - Roading and Footpaths Operations for the month ended 31 July 2014

	Current month			Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget 30 Jun 2015 \$000
Operating Income				
Petrol tax	730	623	107	8,677
Other income	675	290	385	4,016
NZTA operating subsidy	2,918	3,186	(268)	33,159
Total operating income	4,323	4,099	224	45,852
Operating Expenditure				
Personnel costs	1,640	2,101	461	23,314
Capitalised personnel costs	(8)	(470)	(462)	(5,865)
Service delivery costs and professional services	6,654	5,757	(897)	79,173
Occupancy costs	1,422	1,085	(337)	14,921
IT costs	40	168	128	2,037
(Profit)/loss on disposal of assets	-	-	-	-
Other expenditure	268	209	(59)	2,604
Total operating expenditure	10,016	8,850	(1,166)	116,184
Depreciation	18,148	16,968	(1,180)	203,621
Surplus/(deficit) from Operations	(23,841)	(21,719)	(2,122)	(273,953)
Internal support costs	1,268	1,221	(47)	16,625
Surplus/(deficit)	(25,109)	(22,940)	(2,169)	(290,578)

Section 2c - Internal support for the month ended 31 July 2014

	Current month			Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget 30 Jun 2015 \$000
Operating Income				
Other income	1,207	1,230	(23)	13,002
NZTA operating subsidy	638	686	(48)	9,964
Total operating income	1,845	1,916	(71)	22,966
Operating Expenditure				
Personnel costs	6,032	5,718	(314)	65,521
Capitalised personnel costs	(1,798)	(2,031)	(233)	(23,053)
Directors Fees	45	30	(15)	504
Service delivery costs and professional services	1,172	1,429	257	21,437
Other expenditure	1,626	1,491	(135)	24,236
Total operating expenditure	7,077	6,637	(440)	88,645
Depreciation	581	876	295	10,515
Taxation	-	-	-	-
Surplus/(deficit) before allocation of costs	(5,813)	(5,597)	(216)	(76,194)
Internal support costs	(5,813)	(5,597)	216	(76,194)
Total internal support allocation	(5,813)	(5,597)	216	(76,194)
Surplus/(deficit)	-	-	-	-

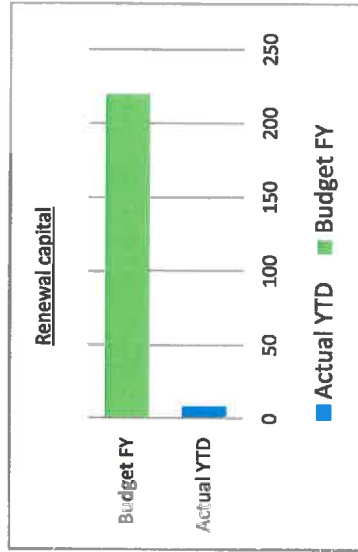
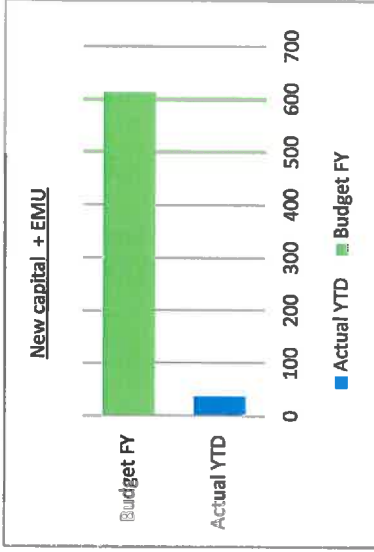
Section 3a - Summary of Capital Expenditure for the month ended 31 July 2014 Split by activity

	Current month			Results Achieved	Budget \$000	Full year Budget \$000
	Actual \$000	Budget \$000	Variance \$000			
New capital expenditure						
Roads and footpaths	10,210	12,567	2,357	🟡	235,263	
Public transport	7,757	6,061	(1,696)	🟢	148,781	
Parking operations	81	206	125	🟢	6,185	
Internal support	1,729	443	(1,286)	🟡	7,955	
Total new capital	19,777	19,277	(500)	🟢	398,184	

Renewal capital expenditure					
Roads and footpaths	7,305	9,589	2,284	🟡	207,609
Public transport	218	75	(143)	🟡	9,210
Parking operations	11	90	79	🟢	2,869
Internal support	-	-	-		-
Total renewal	7,534	9,754	2,220	🟡	219,688

Electric multiple units (EMUs)					
Procurement	15,824	16,112	288	🟢	215,163
Depot	49	24	(25)	🟢	-
Total EMUs	15,873	16,136	263	🟢	215,163

Total direct capital	43,184	45,167	1,983	🟢	833,035
Vested assets	2	-	(2)	🟢	-
Total capital	43,186	45,167	1,981	🟢	833,035



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

Section 3b - Summary of Capital Expenditure for the month ended 31 July 2014
Split by category

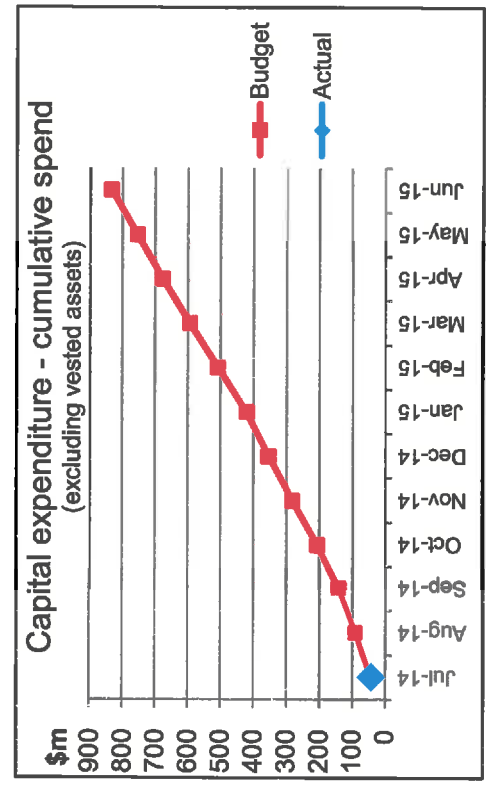
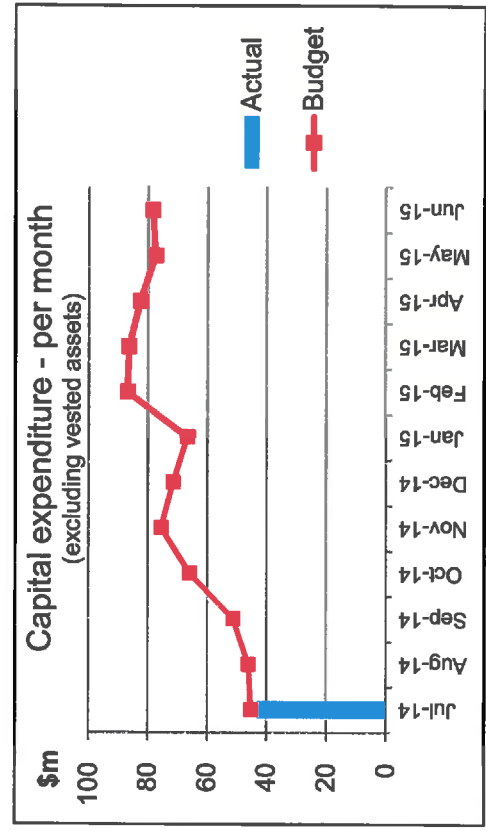
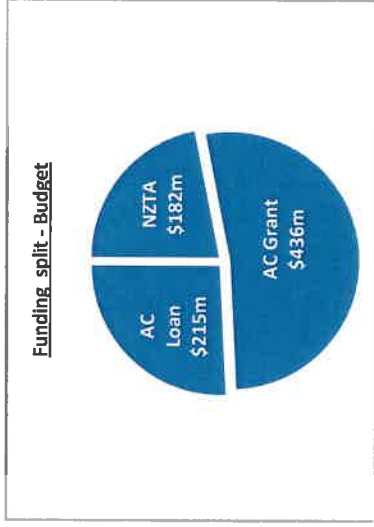
	Current month			Results Achieved	Full year	
	Actual \$000	Budget \$000	Variance \$000		Budget \$000	Budget \$000
Core capital expenditure						
New capital						
Capital land acquisition	1,952	2,082	130		64,330	
Roads and footpaths	8,421	10,378	1,957		162,869	
Public transport	996	1,585	589		77,407	
Parking operations	81	206	125		6,185	
Internal support	1,699	443	(1,256)		7,953	
Total new capital core expenditure	13,149	14,694	1,545		316,744	
Renewal						
Roads and footpaths	7,305	9,589	2,284		207,609	
Public transport	218	75	(143)		9,210	
Parking operations	11	90	79		2,869	
Total renewal core expenditure	7,534	9,754	2,220		219,688	
Total core capital expenditure	20,683	24,448	3,765		536,432	
Ring fenced capital expenditure						
City Rail Link- others	3,244	2,185	(1,059)		34,365	
City Rail Link- land	3,489	2,221	(1,268)		35,410	
EMU depot	49	24	(25)		-	
EMU procurement	15,824	16,112	288		215,163	
Local Board initiatives	(134)	67	201		7,865	
Others	29	110	81		1,800	
Total ring fenced capital expenditure	22,501	20,719	(1,782)		294,603	
Total direct capital excluding vested assets	43,184	45,167	1,983		833,035	
Vested assets	2	-	(2)		-	
Total capital	43,186	45,167	1,981		833,035	

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

Section 3c- Capital Expenditure Funding for the month ended 31 July 2014

Funding	Current month		Variance	Budget	Budget
	Actual	Budget			
NZTA - new capital	4,106	4,566	(460)	103,831	
NZTA - renewal capital	2,961	4,069	(1,108)	78,087	
Auckland Council funding (Non EMU)	11,208	11,208	-	134,501	
Investment by Auckland Council	9,036	9,188	(152)	301,453	
Auckland Council loan (EMU)	15,873	16,136	(263)	215,163	
Vested assets	2	-	2	-	
Total funding	43,186	45,167	(1,981)	833,035	

Current month Full year



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

	Note	Actual 31 July 2014 \$000	Actual 30 June 2014 \$000
Assets			
Current assets			
Cash and cash equivalents	1	4,225	5,080
Trade and other receivables	2	179,836	226,863
Inventories		4,700	4,200
Other assets		11,920	994
Non-current asset held for sale		5,000	5,000
Total current assets		205,681	242,137
Non-current assets			
Property, plant and equipment - assets		15,240,118	15,210,676
Property, plant and equipment - work-in-progress		577,389	600,854
Intangible assets		122,488	113,218
Amounts due from related parties		52,000	52,000
Total non-current assets		15,991,995	15,976,748
Total assets		16,197,676	16,218,885
Liabilities			
Current liabilities			
Derivative financial instruments	3	32,982	39,218
Trade and other payables	4	140,729	201,909
Employee benefit liabilities	5	11,342	9,777
Borrowings	6	2,869	2,678
Total current liabilities		187,922	253,582
Non-current liabilities			
Derivative financial instruments	3	6,427	7,100
Employee benefit liabilities	5	745	745
Borrowings	6	371,996	355,432
Deferred tax liability	7	10,888	10,888
Total non-current liabilities		390,056	374,165
Total liabilities		577,978	627,747
Net assets		15,619,698	15,591,138
Equity			
Contributed equity		13,250,918	13,223,033
Retained earnings/(losses)		404,747	412,342
Reserves		1,964,033	1,955,763
Total equity		15,619,698	15,591,138

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

Actual
31 July 2014
\$000

Actual
30 June 2014
\$000

1 Cash and cash equivalents

Cash at bank - Trading	3,943	4,798
Till floats	282	282
Total cash and cash equivalents	4,225	5,080

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

2 Trade and other receivables

Trade debtors	15,211	3,414
Finance lease receivable	105	107
Infringements receivable	19,458	18,895
Amounts due from related parties	107,058	169,012
Accrued income	25,871	34,718
Goods and services tax	13,312	1,896
	181,015	228,042
Less provision for impairment of receivables	(1,179)	(1,179)
Total trade and other receivables	179,836	226,863

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 July 2014 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	150,158	-	150,158
Past due 1 - 30 days	12,955	-	12,955
Past due 31 - 60 days	491	-	491
Past due 61 - 90 days	1,151	-	1,151
Past due > 90 days	16,260	(1,179)	15,081
	181,015	(1,179)	179,836

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	-
At 31 July 2014	1,179

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

	Actual 31 July 2014	Actual 30 June 2014
	\$000	\$000

3 Derivative financial instruments

Current liability portion

Forward foreign exchange contracts - cash flow hedges	32,982	39,218
Forward foreign exchange contracts - not hedge accounted	-	-

Current derivative financial instruments	32,982	39,218
---	---------------	---------------

Non-current liability portion

Interest rate swaps - cash flow hedges	6,325	4,963
Forward foreign exchange contracts - cash flow hedges	102	2,137

Non-current derivative financial instruments	6,427	7,100
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Total derivative financial instrument liabilities	39,409	46,318
--	---------------	---------------

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 \$214m. The foreign currency principal amount was USD \$150m. These cash flow hedges have been accounted for as effective and the gain of \$8.27m 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 \$200m. At 31 July 2014 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.21% to 5.41%. The loss on their revaluation of \$1.36m has been recorded in the Statement of Financial Performance.

4 Trade and other payables

Creditors	15,762	34,876
Accrued expenses	105,382	141,524
Retentions	5,991	6,727
Amounts due to related parties	12,413	17,578
Income in advance	1,181	1,204
	140,729	201,909

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 July 2014**

	Actual 31 July 2014	Actual 30 June 2014
	\$000	\$000

5 Employee benefit liabilities

Current portion		
Accrued salaries and wages	3,805	2,483
Accrued leave	7,537	7,294
Current employee benefit liabilities	11,342	9,777
Non-current portion		
Retirement gratuities	383	383
Long service leave	362	362
Non-current employee benefit liabilities	745	745

6 Borrowings

Current portion		
Loans from Auckland Council	2,810	2,619
Finance Leases	59	59
Current borrowings	2,869	2,678
Non-current portion		
Loans from Auckland Council	371,978	355,409
Finance Leases	18	23
Non-current borrowings	371,996	355,432
Weighted average cost of funds on total borrowings	5.64%	5.67%

Auckland Transport's loan debt of \$375m 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	Other provisions	Tax losses	Actual 31 July 2014 Total
	\$000	\$000	\$000	\$000
Balance at 1 July 2014	(10,888)	-	-	(10,888)
Charged to profit and loss	-	-	-	-
Charged to equity	-	-	-	-
Balance at 31 July 2014	(10,888)	-	-	(10,888)

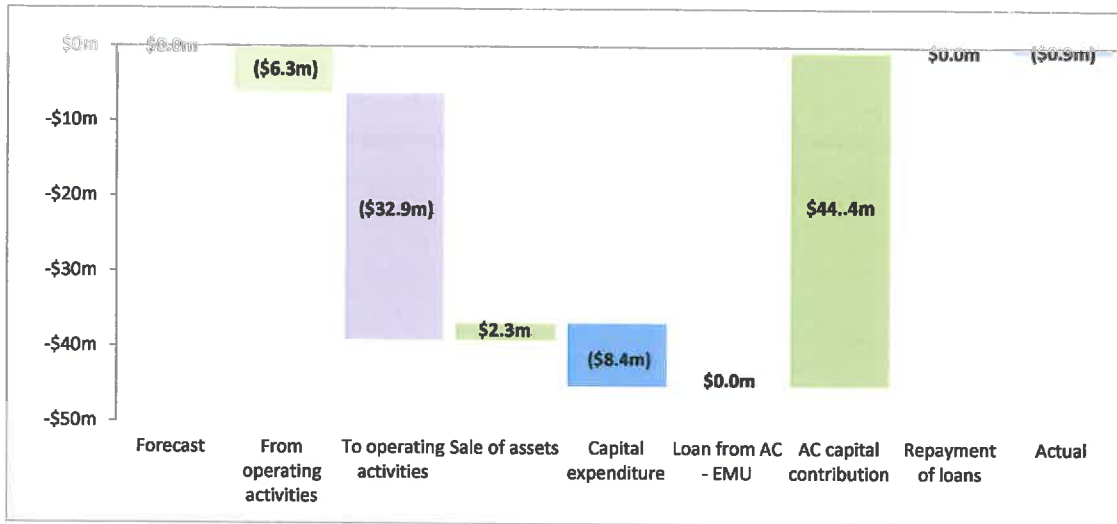
Section 5a - Cash Flow Rolling Forecast as at 31 July 2014

	Current month		Forecast	
	Actual	Forecast	Aug 2014	Sep 2014
	\$000	\$000	\$000	\$000
Cash flows from operating activities				
Total cash provided	66,116	72,386	74,033	81,208
Cash applied to:				81,692
Payments to suppliers, employees and directors	71,346	50,554	50,216	51,761
Interest paid	2,473	1,755	1,825	2,029
Goods and services tax (net)	11,416	-	-	-
Total cash applied	85,235	52,309	52,042	53,790
Net cash from operating activities	(19,119)	20,077	21,992	27,902
Cash flows from investing activities				
Cash provided from:				
Sale of property, plant and equipment	2,291	-	-	-
Total cash provided	2,291	-	-	-
Cash applied to:				
Capital expenditure projects	92,442	84,078	45,168	45,168
Total cash applied	92,442	84,078	45,168	45,168
Net cash from investing activities	(90,151)	(84,078)	(45,168)	(45,168)
Cash flows from financing activities				
Cash provided from:				
Loan from Auckland Council - EMU	17,000	17,000	19,000	12,000
Capital contribution from Auckland Council	91,660	47,235	4,330	4,727
Total cash provided	108,660	64,235	23,330	16,727
Cash applied to:				
Repayments of EMU loan from Auckland Council	240	220	140	220
Repayments of finance lease principal	5	14	14	14
Total cash provided	245	234	154	234
Net cash from financing activities	108,415	64,001	23,176	16,493
Net (decrease)/increase in cash and cash equivalents	(855)	-	-	-
Opening cash balance	5,080	-	-	-
Closing cash balance	4,225	-	-	-

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities		Current month
Surplus/(deficit) after tax		\$000 (5,372)
Add/(less) non cash items		
Depreciation and amortisation		23,414
Vested assets		(2)
Loss on disposal of property, plant and equipment		7
Loss on asset write off		-
Revaluation decrement		-
Foreign exchange gains		-
Loss on interest rate swaps		1,362
Income tax		-
		24,781
Add/(less) movements in working capital		
Decrease/(increase) in debtors and other receivables		64,438
Decrease/(Increase) in inventories		(500)
(Decrease)/Increase in creditors and other payables		(12,371)
(Decrease)/Increase in employee benefits payable		1,565
(Decrease)/Increase in investment funding from AC		(91,660)
		(38,528)
Net cash flow from operating activities		(19,119)

Section 5b - Cash flow

Cash flow - Current month forecast to actual



Section 6 - Accounts Receivable and Accounts Payable Monthly Report.

Accounts Receivable

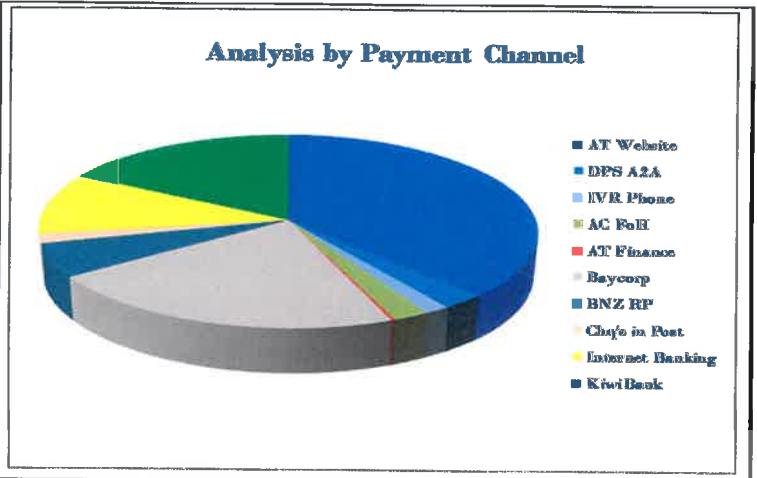
An overview of the Debtors as at 31 July has 99% (97.4% June) of adjusted Debtors in 30, 60 days or not yet due.

<u>Debtors Ageing Analysis as at 31 July 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 July		17,157,284	3,893,015	11,666,571	264,741	31,575	44,179	1,257,203	1
Parking Permit Debtors		4,846	0	4,846	0	0	0	0	2
Total Debtors		17,162,130	3,893,015	11,671,417	264,741	31,575	44,179	1,257,203	
		100.0%	22.7%	68.0%	1.5%	0.2%	0.3%	7.3%	
O/s Related Parties	12	1,950,270	1,936,689	207	3,443	0	0	9,930	3
Trade Debtors	116	15,211,860	1,956,326	11,671,210	261,297	31,575	44,179	1,247,273	
		100.0%	12.9%	76.7%	1.7%	0.2%	0.3%	8.2%	
Queried Invoices	307	202,948	213	7,166	20,556	8,788	15,689	150,536	4
Cell Sites - Property	309	1,137,296	0	307	116,461	0	7,102	1,013,426	5
To Baycorp (Collection)	462	24,359	588	0	1,126	1,376	1,229	20,040	6
Payment Arrangement	23	3,514	0	0	3,514	0	0	0	7
Lodged Courts (Damages)	161	175,349	0	81,041	8,572	19,871	19,363	46,503	8
Adjusted Debtors	N/a	13,668,394	1,955,525	11,582,696	111,069	1,541	796	16,767	
		100.0%	14.3%	84.7%	0.8%	0.0%	0.0%	0.1%	

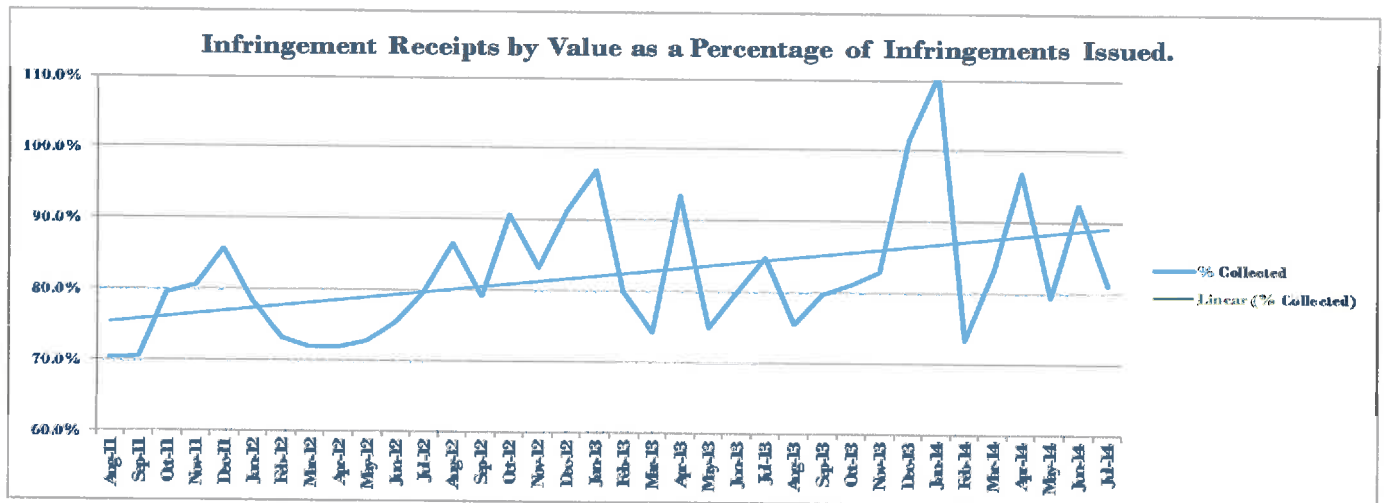
- 1 - These figures relate to Sundry Debtors administered in the SAP system.
- 2 - This figure relates to Parking Permit Debtors administered in the Pathway system.
- 3 - Relates to amounts owed by related parties (inter-company).
- 4 - This comprises invoices which have been queried or disputed by customers. The AR Team and various AT Departments are engaged in an effort to resolve these queries. An amount of \$143k, outstanding from a group of apartment owners relating to increased parking charges under dispute, is with the Property Department who have demanded payment. Agreement has been reached with the body corporates which will result in a credit of approximately \$26k to be passed. This is expected to be carried out in August and payment is expected to follow shortly thereafter. An amount of \$117k was provided as doubtful in June 2014 in respect of these matters.
- 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

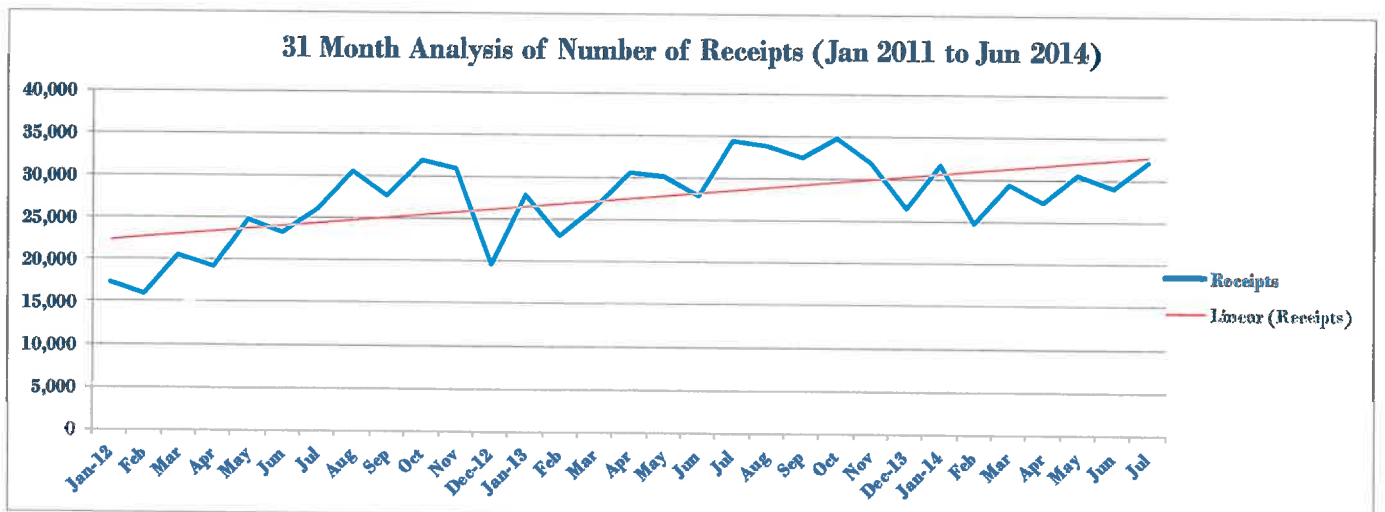
Row Labels	No. Receipts	% of Total	Value Receipts	% of Total
AT Website	12,095	37.6%	\$609,822.50	33.3%
DPS A2A	812	2.5%	\$44,850.30	2.4%
IVR Phone	474	1.5%	\$5,888.00	0.3%
AC FoH	690	2.1%	\$77,321.20	4.2%
AT Finance	58	0.2%	\$1,372.98	0.1%
Baycorp	8,875	21.4%	\$411,202.00	22.4%
BNZ RP	1,807	5.6%	\$98,480.78	5.4%
Chq's in Post	519	1.6%	\$86,371.40	4.7%
Internet Banking	3,326	10.3%	\$200,732.07	11.0%
KwiBank	5,535	17.2%	\$296,629.40	16.2%
Grand Total	32,191	100.0%	\$1,832,470.61	100.0%



July's Infringement receipts by volume are 10.6% up on June (23 working days in July compared with 20 in June). Payments via the IVR system stopped on 31 July. The Account2Account payment channel has not shown the growth we had hoped for, but upcoming amendments to the infringement notice to include this channel should promote this channel. We are finding the electronic channels (AT Website and Internet Banking) becoming more popular.

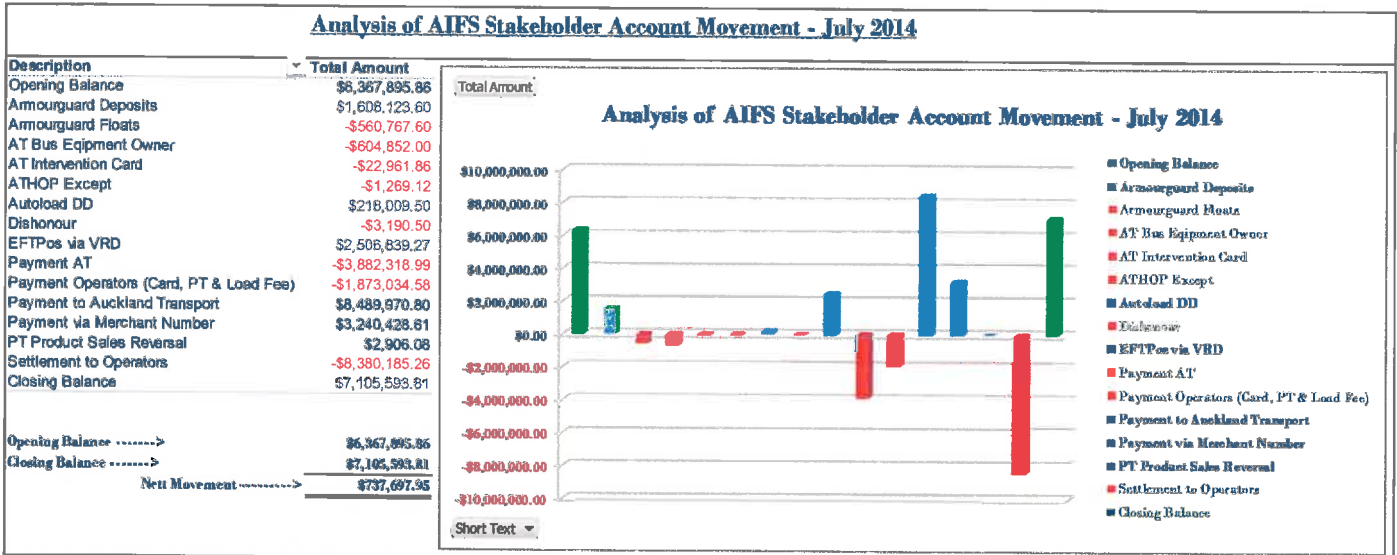


The graph above includes all receipts through AT, Baycorp and MOJ but excludes legacy receipts. Infringements issued rose by 31% in July when compared with June. This is as a result of a number of new bus lanes and increased PINS issued. The trend line clearly shows improved collection rates over the 3 year period.

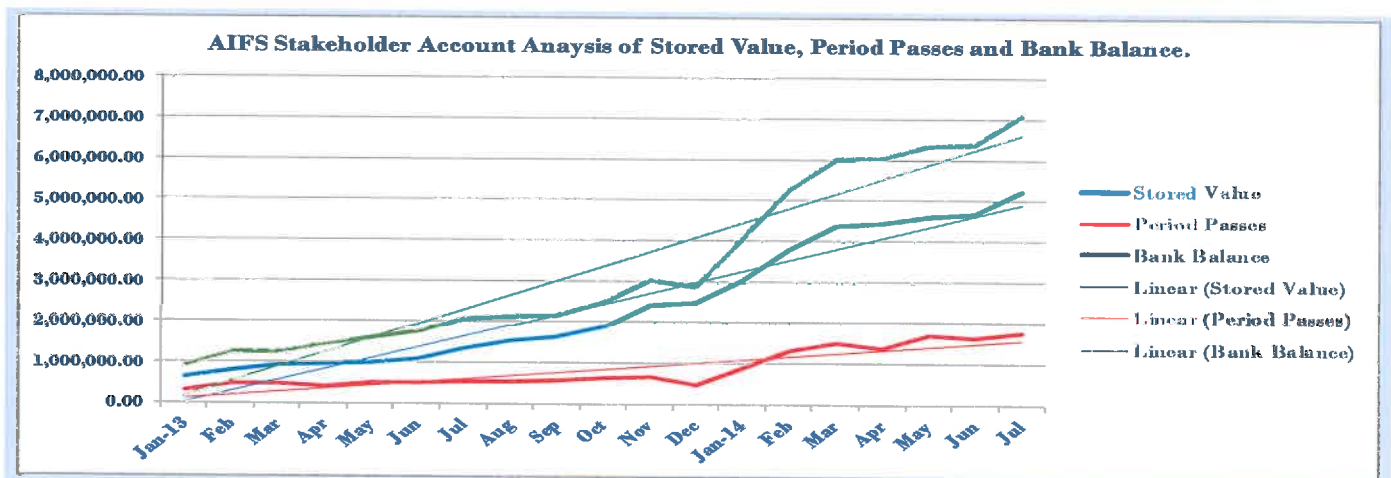


Section 7 - AIFS Stakeholder Monthly Report (Does not form part of AT results)

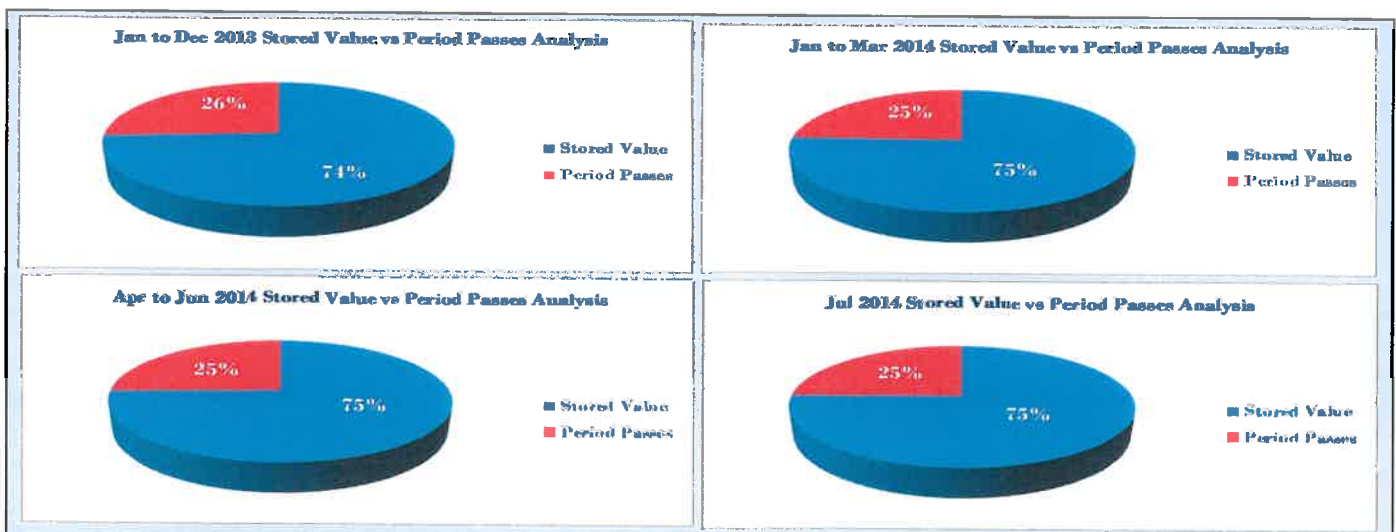
The AIFS Stakeholder bank account increased by 11.6% in July, following an increase of 0.4% in the bank balance in June.







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 increased by 11.6%, 11.9% and 8.6% respectively. These higher than normal increases are as a result of schools returning.



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

Submitted by	Harlem Cabuhat Reporting Accountant	
	Susan Cairns Senior Financial Reporting Accountant	
Recommended by	Julian Michael Financial Reporting Manager	
	Stephen Smith Finance Manager	
Approved for Submission	Richard Morris Chief Financial Officer	