

Financial Results for the Month Ended 31 July 2015

Recommendation

That the Board:

- i. Receives the report.

Table of Contents

1. Executive Summary
2. Auckland Transport Financial Results
 - a. Split by category (section 2a)
 - b. Net surplus/(deficit) waterfall (section 2b)
 - c. Split by activity (section 2c)
3. Capital expenditure results
 - a. Split by activity (section 3a)
 - b. Split by category (section 3b)
 - c. Funding (section 3c)
4. Statement of Financial Position
 - a. Statement of Financial Position (section 4a)
 - b. Notes to the financial statements (section 4b)
5. Cash flow
 - a. Cash flow (section 5a)
 - b. Cash flow waterfall (section 5b)
6. Accounts receivable (section 6)
7. AT HOP stakeholder report (section 7)

Executive Summary

Financial Results for the month ended 31 July 2015:

	Year to date variance to budget \$m	Year to date results	Year to date Actual \$m	Year to date budget \$m	Full year budget \$m
Total operating income	(0.9)	↔ ●	54.9	55.8	669.4
Total operating expenditure	0.4	↔ ●	77.8	78.2	975.0
Surplus/(deficit) from operations	(0.5)	↔ ●	(22.9)	(22.4)	(305.6)
Income for capital projects	(0.7)	↔ ●	34.2	34.9	710.3
Net surplus/(deficit) before tax	(1.2)	↔ ●	11.3	12.6	404.7
Total direct capital	13.4	↓ ●	21.5	34.9	620.3

Key to symbols used:

↔	: Within tolerable range	↑	: Above budget, favourable variance.
↓	: Below budget, unfavourable variance.	●	: Largely on track
↓	: Below budget, favourable variance.	●	: Monitoring, some action taken
↑	: Above budget, unfavourable variance.	●	: Action required

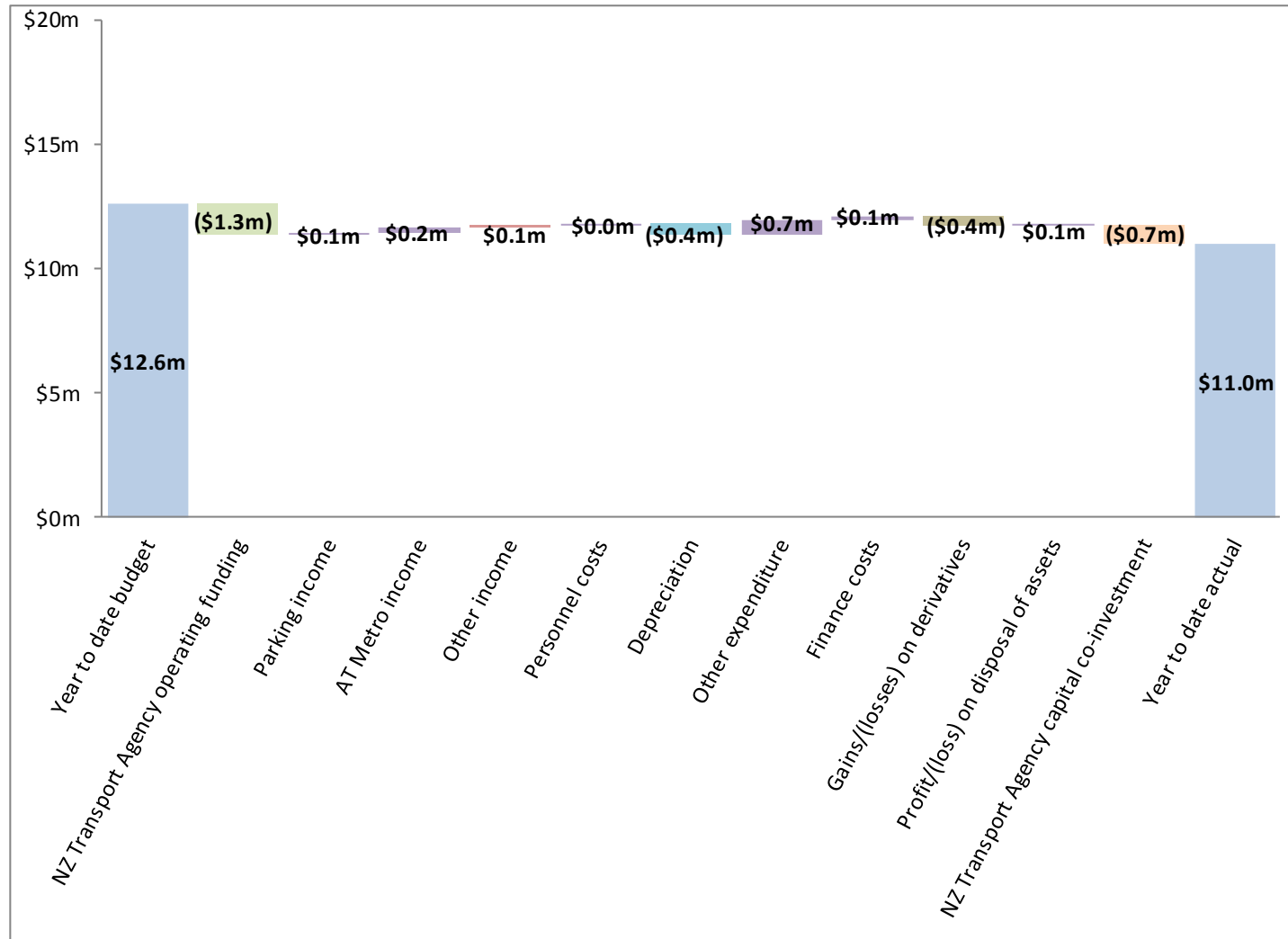
Section 2a – Financial Results for the month ended 31 July 2015

	Year to date				Full year
	Actual \$000	Budget \$000	Variance \$000	Results achieved	Budget \$000
Income					
<u>Operating income</u>					
Auckland Council funding	20,813	20,813	-	●	249,755
NZ Transport Agency operating funding	18,955	20,234	(1,279)	●	238,008
Parking and enforcement income	6,713	6,642	71	●	80,106
AT Metro income	6,451	6,219	232	●	77,471
Other revenue including other grants and subsidies	2,001	1,897	104	●	24,089
Total operating income	54,933	55,805	(872)	●	669,429
Expenditure					
Personnel costs	11,465	12,004	539	●	141,063
Capitalised personnel costs	(2,480)	(2,982)	(502)	●	(39,066)
Depreciation and amortisation expense	25,309	24,874	(435)	●	310,932
Other expenses	41,053	41,706	653	●	531,372
Finance costs (Electric Trains)	2,465	2,567	102	●	30,741
Total operating expenditure	77,812	78,169	357	●	975,042
Surplus/(deficit) from operations	(22,879)	(22,364)	(515)	●	(305,613)
<u>Income for capital projects</u>					
NZ Transport Agency capital co-investment	7,839	8,571	(732)	●	170,966
Auckland Council capital grant	26,350	26,350	-	●	439,314
Other capital grants	-	-	-	●	-
Vested asset income	-	-	-	●	100,000
	34,189	34,921	(732)	●	710,280
Net surplus/(deficit) before tax and derivatives	11,310	12,557	(1,247)	●	404,667
Gains/(losses) on derivatives	(389)	-	(389)		-
Profit/(loss) on disposal of assets	62	-	62		-
Income tax benefit/(expense)	-	-	-		-
Net surplus/(deficit) after tax and derivatives	10,983	12,557	(1,574)	●	404,667

● : 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

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Rail	10,044	9,861	183	115,857
Bus	8,086	8,200	(114)	101,903
Ferry	1,049	952	97	13,313
Other public transport	2,111	2,130	(19)	29,848
Parking	3,732	3,418	314	48,172
Enforcement	2,981	3,224	(243)	31,934
Roading and footpaths	4,656	5,474	(818)	56,592
Internal support	1,461	1,733	(272)	22,055
Auckland Council operating funding	20,813	20,813	-	249,755
Total operating income	54,933	55,805	(872)	669,429
Operating Expenditure				
Rail	14,609	14,465	(144)	163,425
Bus	13,373	13,416	43	167,075
Ferry	1,317	1,369	52	19,262
Other public transport	3,219	3,180	(39)	46,999
Parking	1,093	1,155	62	13,677
Enforcement	1,949	1,747	(202)	21,312
Roading and footpaths	9,874	10,142	268	120,674
Internal support	7,069	7,821	752	111,686
Depreciation	25,309	24,874	(435)	310,932
Total operating expenditure	77,812	78,169	357	975,042
Surplus/(deficit) from Operations	(22,879)	(22,364)	(515)	(305,613)

Section 2c – Rail operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Activity Income	3,498	3,428	70	43,500
Other income	90	85	5	838
NZ Transport Agency operating funding	4,807	4,477	330	49,101
NZ Transport Agency operating funding - Electric Trains	1,649	1,871	(222)	22,418
Total operating income	10,044	9,861	183	115,857
Operating Expenditure				
Personnel costs	223	229	6	2,658
Capitalised personnel costs	6	(1)	(7)	-
Service delivery costs and professional services	9,411	9,015	(396)	98,295
Occupancy costs	248	317	69	4,070
Track access charges	1,711	1,719	8	19,750
Other expenditure	544	619	75	7,911
Finance costs (Electric Trains)	2,466	2,567	101	30,741
Total operating expenditure	14,609	14,465	(144)	163,425
Depreciation	3,161	2,675	(486)	34,750
Surplus/(deficit) from Operations	(7,726)	(7,279)	(447)	(82,318)
Internal support costs	2,013	2,109	96	31,780
Surplus/(deficit)	(9,739)	(9,388)	(351)	(114,098)

Section 2c – Bus operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Activity Income	1,104	1,229	(125)	15,946
Other income	814	564	250	4,223
NZ Transport Agency operating funding	6,168	6,407	(239)	81,734
Total operating income	8,086	8,200	(114)	101,903
Operating Expenditure				
Personnel costs	270	283	13	3,296
Capitalised personnel costs	1	(5)	(6)	14
Service delivery costs and professional services	12,934	12,931	(3)	161,277
Occupancy costs	106	114	8	1,368
Other expenditure	62	93	31	1,120
Total operating expenditure	13,373	13,416	43	167,075
Depreciation	163	161	(2)	2,262
Surplus/(deficit) from Operations	(5,450)	(5,377)	(73)	(67,434)
Internal support costs	2,057	2,156	99	32,490
Surplus/(deficit)	(7,507)	(7,533)	26	(99,924)

Section 2c – Ferry operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Operator access fees	247	238	9	3,996
Activity Income	67	56	11	798
Other Income	58	58	-	831
NZ Transport Agency operating funding	677	600	77	7,688
Total operating income	1,049	952	97	13,313
Operating Expenditure				
Personnel costs	80	77	(3)	1,133
Capitalised personnel costs	-	-	-	-
Service delivery costs and professional services	1,085	1,088	3	15,497
Other expenditure	152	204	52	2,632
Total operating expenditure	1,317	1,369	52	19,262
Depreciation	248	238	(10)	2,874
Surplus/(deficit) from Operations	(516)	(655)	139	(8,823)
Internal support costs	237	249	12	3,746
Surplus/(deficit)	(753)	(904)	151	(12,569)

Section 2c – Other public transport operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Other Income	573	561	12	7,339
NZ Transport Agency operating funding	1,538	1,569	(31)	22,509
Total operating income	2,111	2,130	(19)	29,848
Operating Expenditure				
Personnel costs	1,078	1,100	22	13,666
Capitalised personnel costs	26	(10)	(36)	(487)
Service delivery costs and professional services	1,163	1,155	(8)	22,484
IT costs	188	204	16	2,489
Other expenditure	764	731	(33)	8,847
Total operating expenditure	3,219	3,180	(39)	46,999
Depreciation	1,348	1,311	(37)	14,900
Surplus/(deficit) from Operations	(2,456)	(2,361)	(95)	(32,051)
Internal support costs	579	607	28	9,140
Surplus/(deficit)	(3,035)	(2,968)	(67)	(41,191)

Section 2c – Parking operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Other income	102	82	20	2,810
Parking fees	3,630	3,336	294	45,362
Total operating income	3,732	3,418	314	48,172
Operating Expenditure				
Personnel costs	260	242	(18)	2,806
Capitalised personnel costs	4	-	(4)	-
Service delivery costs and professional services	360	317	(43)	3,817
Occupancy costs	429	494	65	5,706
Other expenditure	40	102	62	1,348
Total operating expenditure	1,093	1,155	62	13,677
Depreciation	548	536	(12)	6,443
Surplus/(deficit) from Operations	2,091	1,727	364	28,052
Internal support costs	168	177	9	2,660
Surplus/(deficit)	1,923	1,550	373	25,392

Section 2c – Enforcement operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Infringement income	2,981	3,224	(243)	31,934
Total operating income	2,981	3,224	(243)	31,934
Operating Expenditure				
Personnel costs	938	958	20	11,036
Capitalised personnel costs	10	-	(10)	-
Service delivery costs and professional services	116	141	25	1,686
Other expenditure	885	648	(237)	8,590
Total operating expenditure	1,949	1,747	(202)	21,312
Depreciation	8	12	4	740
Surplus/(deficit) from Operations	1,024	1,465	(441)	9,882
Internal support costs	262	275	13	4,144
Surplus/(deficit)	762	1,190	(428)	5,738

Section 2c – Roading and footpaths operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Petrol tax	730	727	3	8,720
Other income	197	305	(108)	4,980
NZ Transport Agency operating funding	3,729	4,442	(713)	42,892
Total operating income	4,656	5,474	(818)	56,592
Operating Expenditure				
Personnel costs	2,145	2,266	121	26,217
Capitalised personnel costs	(393)	(480)	(87)	(8,646)
Service delivery costs and professional services	6,432	6,233	(199)	83,434
Occupancy costs	1,402	1,566	164	15,983
IT costs	15	139	124	1,658
Other expenditure	273	418	145	2,028
Total operating expenditure	9,874	10,142	268	120,674
Depreciation	18,638	18,899	261	231,167
Surplus/(deficit) from Operations	(23,856)	(23,567)	(289)	(295,249)
Internal support costs	1,486	1,558	72	23,467
Surplus/(deficit)	(25,342)	(25,125)	(217)	(318,716)

Section 2c – Internal support

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Rental income	1,066	847	219	10,158
Other income	9	19	(10)	230
NZ Transport Agency operating funding	386	867	(481)	11,667
Total operating income	1,461	1,733	(272)	22,055
Operating Expenditure				
Personnel costs	6,474	6,848	374	80,251
Capitalised personnel costs	(2,133)	(2,486)	(353)	(29,946)
Directors Fees	42	45	3	594
Service delivery costs and professional services	1,050	1,560	510	37,623
Other expenditure	1,636	1,854	218	23,164
Total operating expenditure	7,069	7,821	752	111,686
Depreciation	1,195	1,042	(153)	17,796
Taxation	-	-	-	-
Surplus/(deficit) before allocation of costs	(6,803)	(7,130)	327	(107,427)
Internal support allocation	(6,803)	(7,130)	(327)	(107,427)
Total internal support allocation	(6,803)	(7,130)	(327)	(107,427)
Surplus/(deficit)	-	-	-	-

Section 3a – Summary of Capital Expenditure

Split by activity

	Year to date			Results Achieved	Full year Budget \$000
	Actual \$000	Budget \$000	Variance \$000		
New capital expenditure					
Roads and footpaths	5,875	8,878	3,003	●	191,681
AT Metro (includes CRL)	6,045	10,311	4,266	●	193,109
Parking operations	7	622	615	●	6,245
Internal support	300	165	(135)	●	4,472
Total new capital	12,227	19,976	7,749	●	395,507
Renewal capital expenditure					
Roads and footpaths	7,831	8,364	533	●	189,826
AT Metro	265	304	39	●	5,915
Parking operations	16	5	(11)	●	2,234
Total renewal	8,112	8,673	561	●	197,975
Electric multiple units (EMUs)					
Procurement	1,146	6,272	5,126	●	26,798
Depot	6	-	(6)	●	-
Total EMUs	1,152	6,272	5,120	●	26,798
Total direct capital	21,491	34,921	13,430	●	620,280
Vested assets	-	-	-		-
Total capital	21,491	34,921	13,430	●	620,280

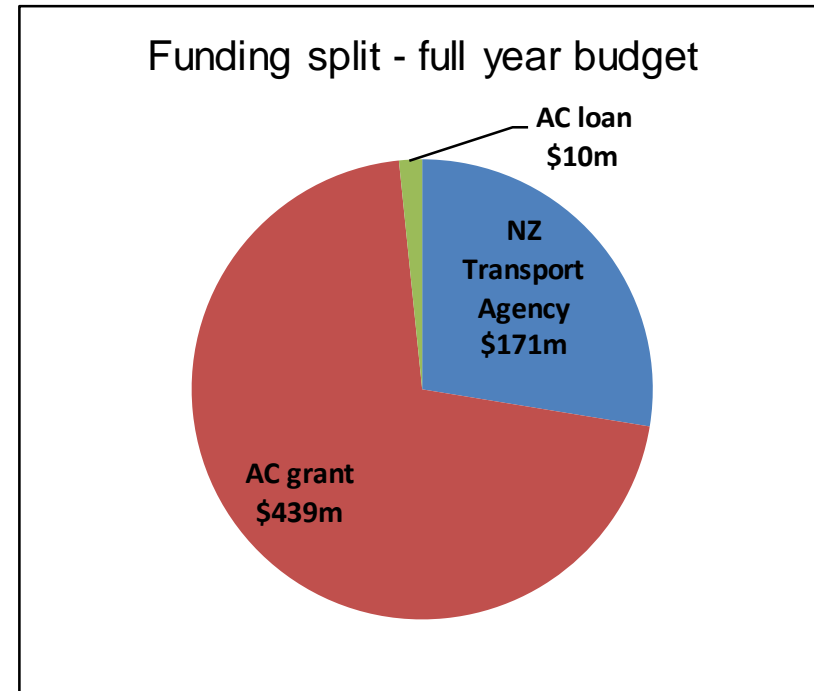
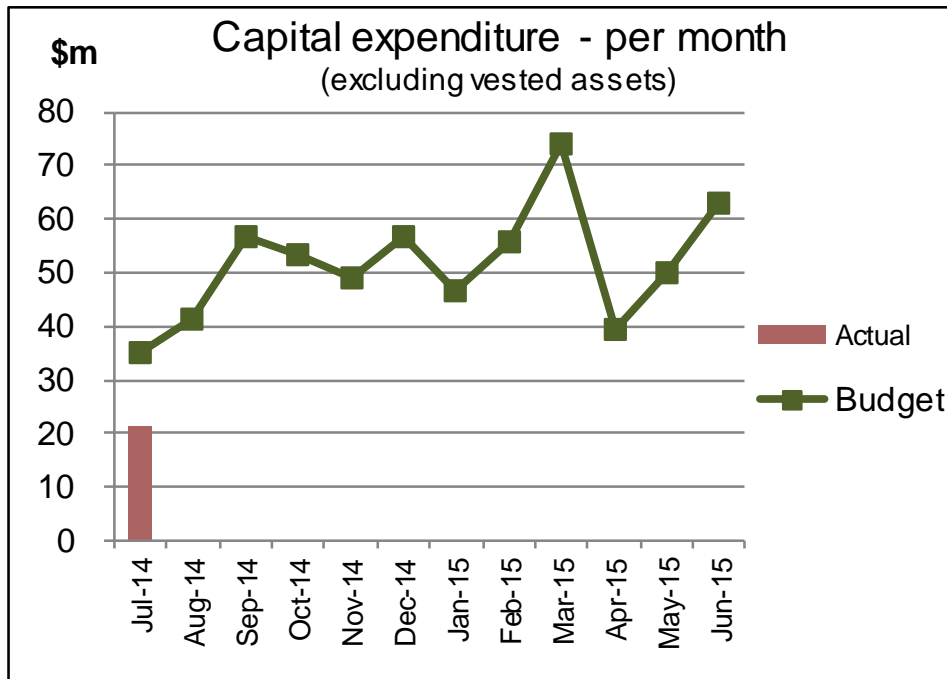
● : Largely on track
 ● : Some issues or risks
 ● : Project issues or risks

Section 3b – Summary of Capital Expenditure Split by category

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Core capital expenditure				
New capital				
Capital land acquisition	(1,095)	772	1,867	26,676
Roads and footpaths	6,603	7,830	1,227	156,917
AT Metro	2,882	4,189	1,307	65,638
Parking operations	7	622	615	6,245
Internal support	420	529	109	10,577
Total new capital core expenditure	8,817	13,942	5,125	266,053
Renewal				
Roads and footpaths	7,831	8,364	533	189,826
AT Metro	265	304	39	5,915
Parking operations	16	5	(11)	2,234
Total renewal core expenditure	8,112	8,673	561	197,975
Total core capital expenditure	16,929	22,615	5,686	464,028
Ring fenced capital expenditure				
City Rail Link- others	2,828	4,766	1,938	49,903
City Rail Link- land	245	528	283	63,906
EMU depot	6	-	(6)	-
EMU procurement	1,146	6,272	5,126	26,798
Local Board initiatives	393	400	7	10,260
Others	(56)	340	396	5,385
Total ring fenced capital expenditure	4,562	12,306	7,744	156,252
Total direct capital excluding vested assets	21,491	34,921	13,430	620,280
Vested assets	-	-	-	-
Total capital	21,491	34,921	13,430	620,280

Section 3c – Capital Expenditure Funding

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Funding				
NZ Transport Agency - new capital co-investment	4,535	5,105	(570)	101,427
NZ Transport Agency - renewal capital co-investment	3,304	3,466	(162)	69,539
Auckland Council capital grant	12,500	26,350	(13,850)	439,314
Auckland Council loan (EMU)	1,152	-	1,152	10,000
Total funding	21,491	34,921	(13,430)	620,280



Section 4a – Statement of Financial Position As at 31 July 2015

	Note	Actual 31 July 2015 \$000	Actual 30 June 2015 \$000
Assets			
Current assets			
Cash and cash equivalents	1	14,024	7,496
Trade and other receivables	2	193,152	237,573
Inventories		2,383	2,552
Other assets		15,688	2,003
Non-current asset held for sale		4,400	4,400
Derivative financial instruments	3	998	585
Total current assets		230,645	254,609
Non-current assets			
Property, plant and equipment		16,092,948	16,096,744
Property, plant and equipment - work-in-progress		437,824	440,326
Intangible assets		115,546	113,488
Derivative financial instruments	3	-	12
Total non-current assets		16,646,318	16,650,570
Total assets		16,876,963	16,905,179

Section 4a – Statement of Financial Position

As at 31 July 2015

	Note	Actual 31 July 2015 \$000	Actual 30 June 2015 \$000
Liabilities			
Current liabilities			
Trade and other payables	4	143,894	186,884
Employee benefit liabilities	5	13,262	11,911
Borrow ings	6	4,705	4,697
Total current liabilities		161,861	203,492
Non-current liabilities			
Derivative financial instruments	3	4,214	3,596
Trade and other payables	4	20,454	20,684
Employee benefit liabilities	5	675	675
Borrow ings	6	478,592	479,033
Deferred tax liability	7	11,665	11,665
Total non-current liabilities		515,600	515,653
Total liabilities		677,461	719,145
Net assets		16,199,502	16,186,034
Equity			
Contributed equity		13,482,059	13,482,059
Retained earnings/(losses)		600,990	587,923
Reserves		2,116,453	2,116,052
Total equity		16,199,502	16,186,034

Section 4b – Notes to the Financial Statements

As at 31 July 2015

	Actual 31 July 2015 \$000	Actual 30 June 2015 \$000
1 Cash and cash equivalents		
Cash at bank - Trading	13,750	7,222
Till floats	274	274
Total cash and cash equivalents	14,024	7,496
The carrying value of cash and cash equivalents approximates their fair value.		
2 Trade and other receivables		
Trade debtors	12,291	4,591
Finance lease receivable	80	82
Infringements receivable	31,318	30,856
Amounts due from related parties	127,459	190,182
Accrued income	25,453	25,865
Goods and services tax	10,889	115
	207,490	251,691
Less provision for impairment of receivables	(14,338)	(14,118)
Total trade and other receivables	193,152	237,573

Section 4b – Notes to the Financial Statements

As at 31 July 2015

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 2015 is detailed below :

	Gross	Impaired	Net
	\$000	\$000	\$000
Not past due	176,661	-	176,661
Past due 1 - 30 days	1,775	-	1,775
Past due 31 - 60 days	1,353	-	1,353
Past due 61 - 90 days	993	-	993
Past due > 90 days	26,708	(14,338)	12,370
	207,490	(14,338)	193,152

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 2015	14,118
Additional provisions made	220
Provisions reversed	-
Receivables written-off	-
At 31 July 2015	14,338

Section 4b – Notes to the Financial Statements

As at 31 July 2015

	Actual 31 July 2015 \$000	Actual 30 June 2015 \$000
3 Derivative financial instruments		
Current asset portion		
Forw ard foreign exchange contracts - cash flow hedges	998	585
Current derivative financial instruments	998	585
Non-current asset portion		
Interest rate sw aps - cash flow hedges		
Forw ard foreign exchange contracts - cash flow hedges	-	12
Non-current derivative financial instruments	-	12
Total derivative financial instrument assets	998	597
Non-current liability portion		
Interest rate sw aps - cash flow hedges	4,214	3,596
Non-current derivative financial instruments	4,214	3,596
Total derivative financial instrument liabilities	4,214	3,596

Forward foreign exchange contracts

The fair values of forw ard foreign exchange contracts have been determined using a discounted cash flow s 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 forw ard foreign exchange contract prices.

Forward foreign exchange contracts - hedge accounted

The notional principal amount of outstanding forw ard foreign exchange contract cash flow hedges w as NZD \$20m. The foreign currency principal amount w as USD \$14m. These cash flow hedges have been accounted for as effective and the gain of \$402K on their revaluation has been transferred to the cash flow hedge reserve within equity.

Interest rate swaps

The fair values of interest rate sw aps have been determined by calculating the expected cash flow s under the terms of the sw aps 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 sw ap contracts w as \$35m. At 31 July 2015 the fixed interest rates of cash flow hedge interest rate sw aps varied from 5.35% to 5.41%. The loss on their revaluation of \$618K has been recorded in the Statement of Financial Performance.

Section 4b – Notes to the Financial Statements

As at 31 July 2015

	Actual 31 July 2015 \$000	Actual 30 June 2015 \$000
4 Trade and other payables		
Current portion		
Creditors	19,344	21,553
Accrued expenses	101,933	150,951
Retentions	8,150	7,474
Amounts due to related parties	12,072	5,494
Income in advance	2,395	1,412
Total current trade and other payables	143,894	186,884
Non-current portion		
Amounts due to related parties	20,454	20,684
Total non-current trade and other payables	20,454	20,684

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.

5 Employee benefit liabilities

Current portion		
Accrued salaries and wages	4,681	3,272
Accrued leave	8,581	8,639
Current employee benefit liabilities	13,262	11,911
Non-current portion		
Retirement gratuities	383	383
Long service leave	292	292
Non-current employee benefit liabilities	675	675

Section 4b – Notes to the Financial Statements

As at 31 July 2015

	Actual 31 July 2015 \$000	Actual 30 June 2015 \$000
6 Borrowings		
Current portion		
Loans from Auckland Council	4,687	4,674
Finance Leases	18	23
Current borrowings	4,705	4,697
Non-current portion		
Loans from Auckland Council	478,592	479,033
Non-current borrowings	478,592	479,033
Weighted average cost of funds on total borrowings	6.00%	6.00%

Auckland Transport's loan debt of \$483m is issued at fixed rates of interest ranging from 5.55% to 6.22%. The interest rate on finance leases is 3%.

7 Deferred tax liability

	Property, Plant and Equipment \$000	Other Provisions \$000	Tax Losses \$000	Actual 31 July 2015 Total \$000
Deferred tax liability				
Balance at 1 July 2015	(11,665)	-	-	(11,665)
Charged to profit and loss	-	-	-	-
Charged to equity	-	-	-	-
Balance at 31 July 2015	(11,665)	-	-	(11,665)

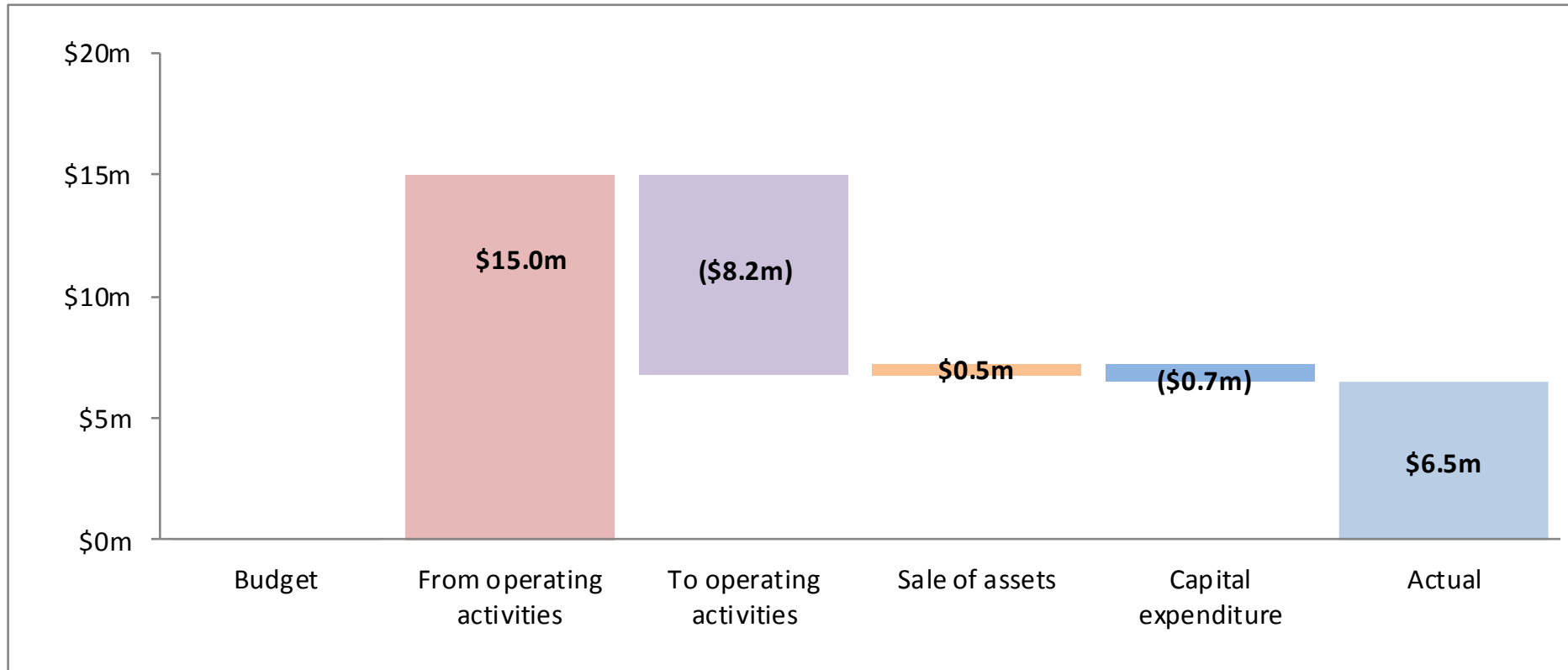
Section 5a – Cash Flow

	Year to date		Full year
	Actual \$000	Budget \$000	Budget \$000
Cash flows from operating activities			
Total cash provided	136,770	119,726	1,269,187
Cash applied to:			
Payments to suppliers, employees and directors	63,518	54,890	623,452
Interest paid	2,148	2,567	30,741
Total cash applied	65,666	57,457	654,193
Net cash from operating activities	71,104	62,269	614,994
Cash flows from investing activities			
Cash provided from:			
Sale of property, plant and equipment	485	-	-
Total cash provided	485	-	-
Cash applied to:			
Capital expenditure projects	64,630	63,921	620,280
Total cash applied	64,630	63,921	620,280
Net cash from investing activities	(64,145)	(63,921)	(620,280)
Cash flows from financing activities			
Cash provided from:			
Loan from Auckland Council - EMU	-	-	10,000
Capital contribution from Auckland Council	-	-	-
Total cash provided	-	-	10,000
Cash applied to:			
Repayments of EMU loan from Auckland Council	427	427	4,691
Repayments of finance lease principal	5	5	23
Total cash provided	432	432	4,714
Net cash from financing activities	(432)	(432)	5,286
Net (decrease)/increase in cash and cash equivalents	6,527	(2,084)	-
Opening cash balance	7,497	-	-
Closing cash balance	14,024	(2,084)	-

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
	Actual \$000
Surplus/(deficit) after tax	10,983
Add/(less) non cash items	
Depreciation and amortisation	25,309
Vested assets	-
Loss on disposal of property, plant and equipment	(62)
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	-
Loss on interest rate sw aps	618
Income tax	-
	25,865
Add/(less) movements in working capital	
Decrease/(Increase) in debtors and other receivables	31,061
Decrease/(Increase) in inventories	169
(Decrease)/Increase in creditors and other payables	(410)
(Decrease)/Increase in employee benefits payable	1,352
	32,172
Net cash flow from operating activities	69,020

Section 5b – Cash Flow Waterfall

Cash flow – Year to date budget to actual



Section 6 – Accounts Receivable Report

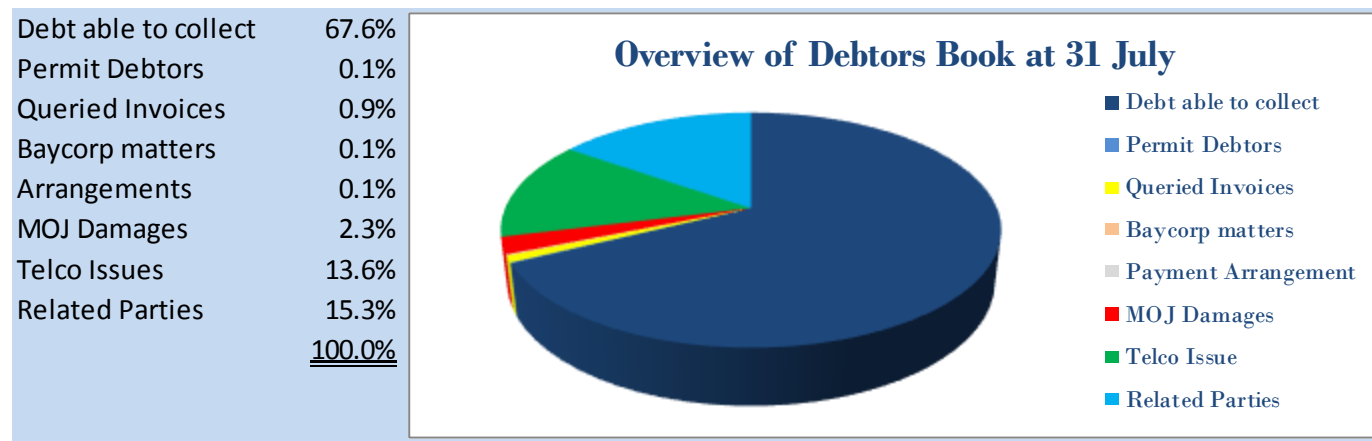
Accounts Receivable

An overview of the Debtors as at 31 July has 99.8% (98.7% June) of adjusted Debtors in 30 and 60 days, or not yet due.

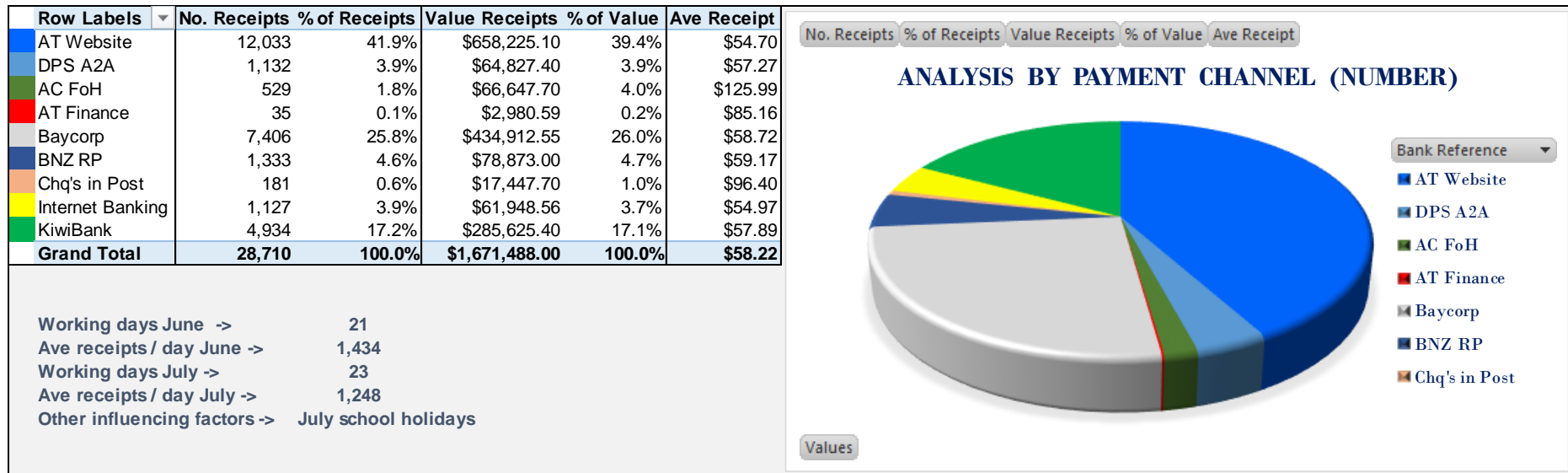
<u>Debtors Ageing Analysis as at 31 July 2015</u>									
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>Not Yet Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
Debtors Ageing 31 July		14,490,221	11,637,017	567,690	57,396	84,992	16,333	2,126,794	1
Parking Permit Debtors		16,552	0	9,731	2,726	420	3,675	0	2
Total Debtors		14,506,773	11,637,017	577,421	60,122	85,412	20,008	2,126,794	
		100.0%	80.2%	4.0%	0.4%	0.6%	0.1%	14.7%	
O/s Related Parties	46	2,216,553	2,120,071	88,042	1,937	285	0	6,219	3
Trade Debtors	129	12,290,220	9,516,946	489,379	58,185	85,127	20,008	2,120,576	
		100.0%	77.4%	4.0%	0.5%	0.7%	0.2%	17.3%	
Queried Invoices	204	130,053	1,844	891	4,989	36,010	14,366	71,952	4
Cell Sites - Property	678	1,975,389	0	100,451	1,450	215	1,682	1,871,591	5
To Baycorp (Collection)	230	14,444	0	0	621	207	583	13,033	6
Payment Arrangement	32	11,057	0	10,382	675	0	0	0	7
Lodged Courts (Damages)	261	334,827	48,408	30,163	47,221	46,293	1,057	161,685	8
Adjusted Debtors		9,824,450	9,466,694	347,493	3,229	2,401	2,320	2,314	
		100.0%	96.4%	3.5%	0.0%	0.0%	0.0%	0.0%	

Notes relating to the Debtors Ageing Analysis:

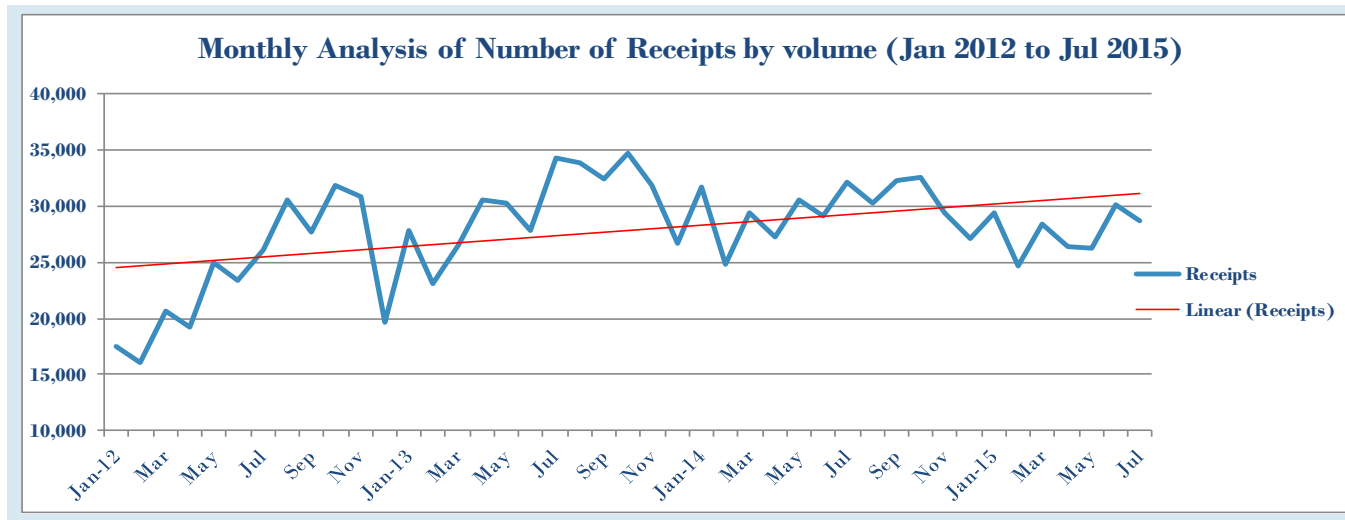
- 1 - Sundry Debtors administered in the SAP system.
- 2 - Parking Permit Debtors administered in the Pathway system. These permits are for on street permits issued. Amounts not collected within 60 days are lodged with Baycorp for collection.
- 3 - Inter-Council Group debts.
- 4 - Relates to invoices which have been queried or disputed by customers. The AR Team and various AT Departments are engaged in an effort to resolve these queries.
- 5 - Relates to the on-going cell sites dispute. The balance owing by the Telco's has been fully impaired as at 30 June 2015 and may be written off in the future. A draft settlement document has been supplied to Spark for their consideration following reaching an "in principle" agreement. We are awaiting their response. Once the agreement with Spark is finalised, both 2 Degrees and Spark will have a confirmed on-going charging basis.
- 6 - Relates to accounts lodged with Baycorp for collection. All these amounts have been impaired in full and some may be written off in the future. All amounts written off are approved by the CFO in accordance with policy.
- 7 - Relates to customers where an arrangement to pay has been agreed to. These are monitored until full payment has been received.
- 8 - 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.



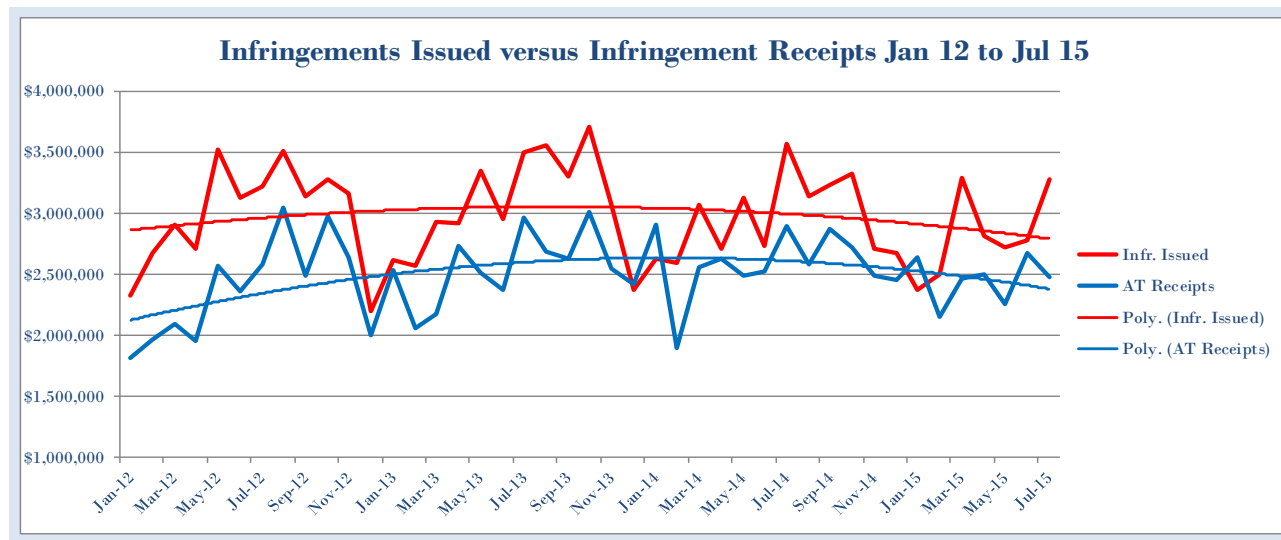
Infringement Overview:



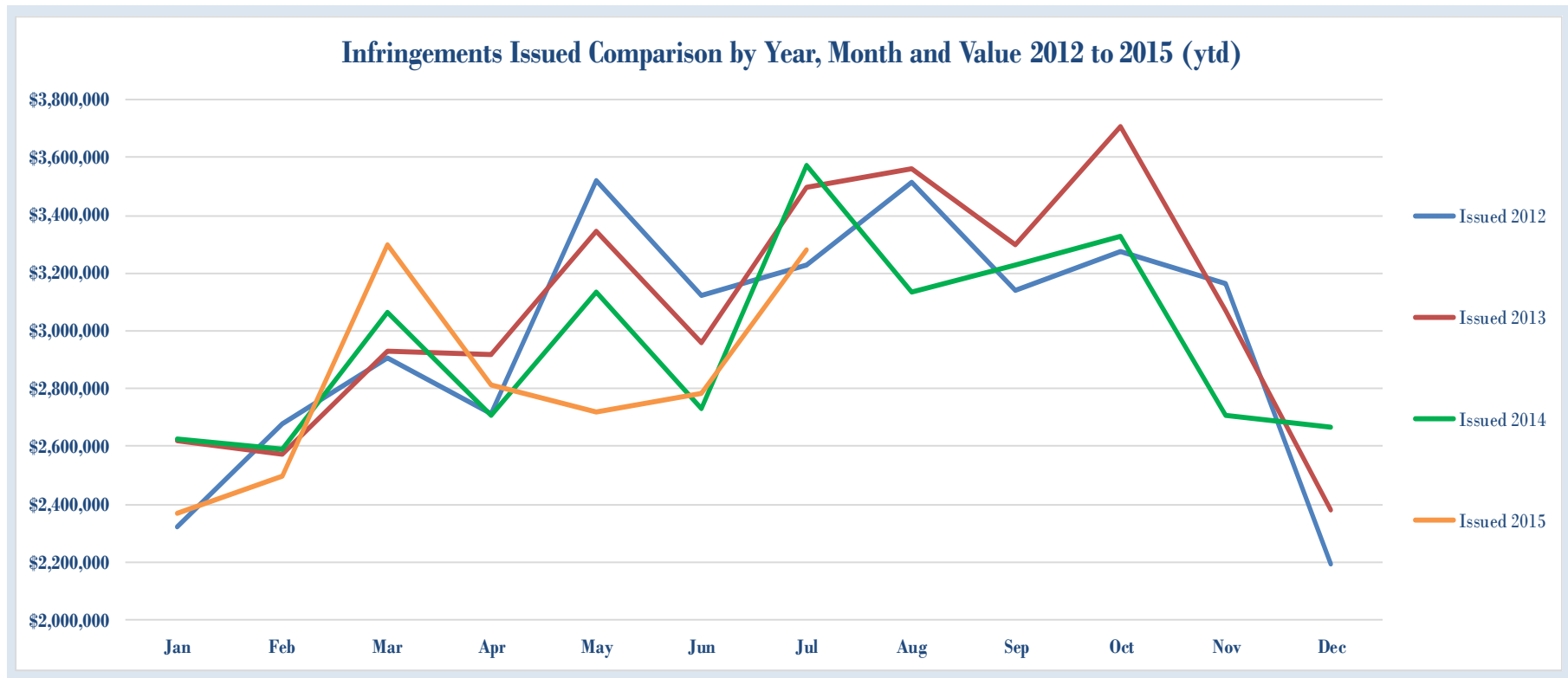
July's Infringement receipts by volume are 4.6% down on June (23 working days in July compared with 21 in June). The decrease is a direct result of lower volumes of infringements issued in April and May as well as the July school holidays which always has an effect on receipts. Of the customers not paying in response to a Baycorp letter of demand, 67% are making use of our electronic payment methods (64% in June).



Analysis of receipts by value show that infringements issued over the past 18 months have decreased. While collections follow the issue trend two to three months later, the collection lines over time are moving closer. The infringements receipts dip in July is a direct result of the infringements issued troughs in April and May. Infringements are handed to Baycorp on day 63 and remain with them for 87 days.



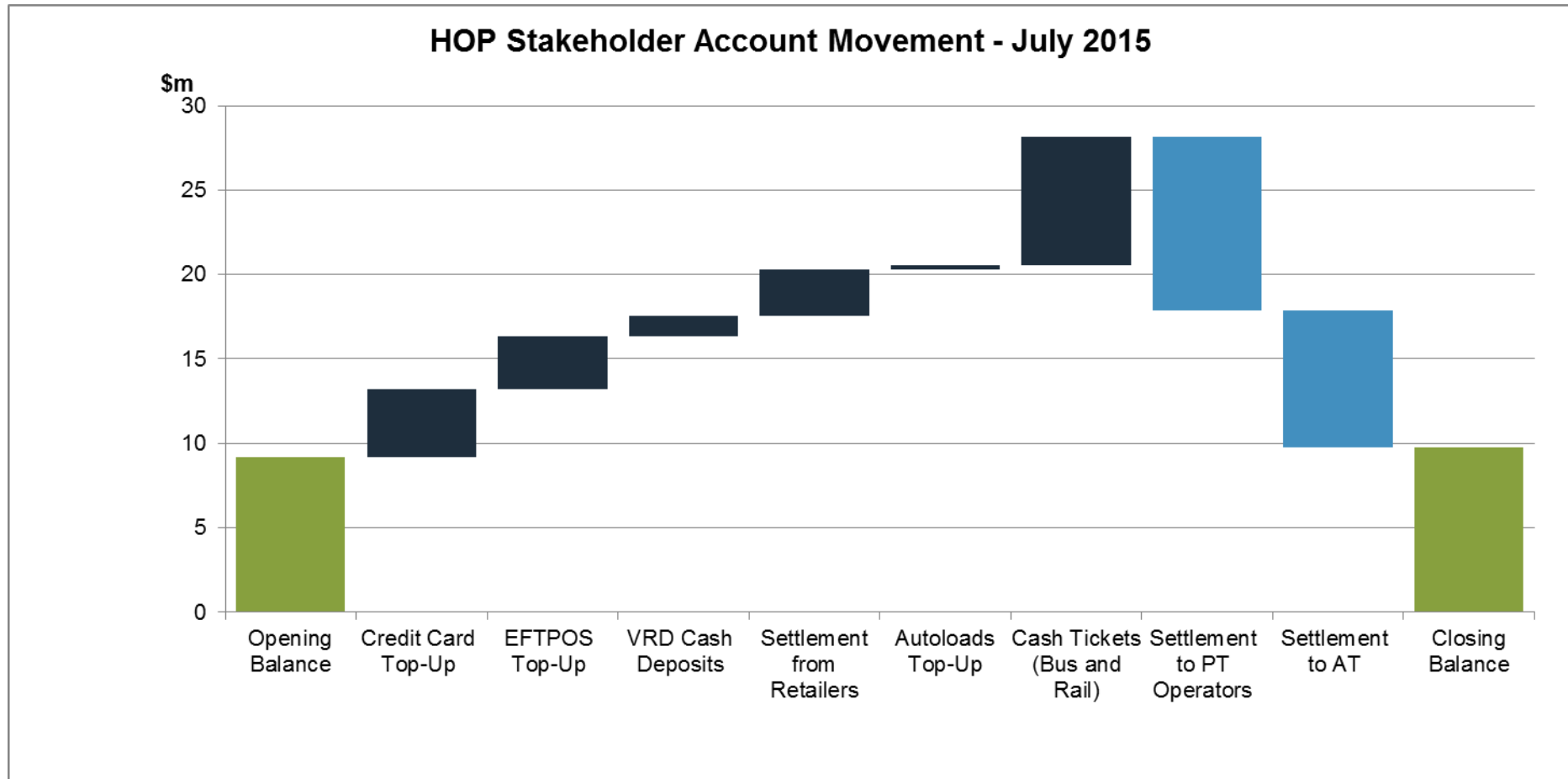
The following graph illustrates the seasonal issuance of infringements.



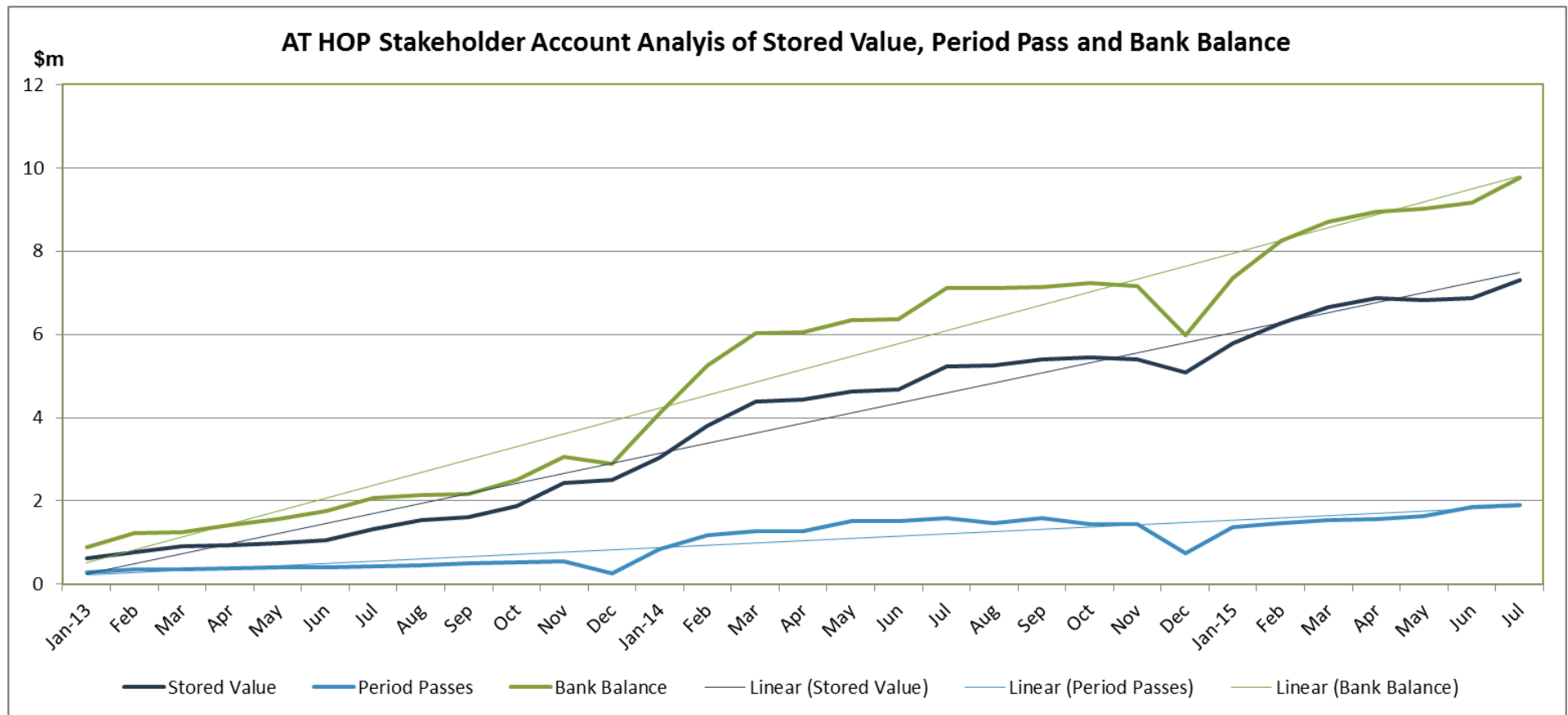
Section 7 – AT HOP Stakeholder Monthly Report

(Does not form part of AT results)





The AT HOP Stakeholder bank account has increased by 6.5% in July 2015, from \$9.2 million to \$9.8 million



The following graph provides an overview of monthly balances for Stored Value, Period Passes, and the AT HOP Stakeholder Account together with trend lines.



Document ownership

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