

Financial Results for the Ten Months Ended 30 April 2016

Recommendation

That the Board receives the report.

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Executive Summary

Financial results for the ten months ended 30 April 2016:

	Current month variance to revised budget \$m	Year to date variance to revised budget \$m	Year to date results	Year to date Actual \$m	Year to date revised budget \$m	Full Year revised budget \$m
Total operating income	(0.8)	(0.8)	↔ ●	559.8	560.6	668.8
Total operating expenditure	6.1	12.2	↓ ●	795.7	808.0	981.0
Surplus/(deficit) from operations	5.3	11.4	↓ ●	(236.0)	(247.4)	(312.2)
Income for capital projects	(0.9)	(38.1)	↓ ●	515.9	554.0	714.2
Net surplus/(deficit) before tax	4.4	(26.7)	↓ ●	279.9	306.6	402.1
Total direct capital	9.6	72.2	↓ ●	400.3	472.5	607.7

Key to symbols used:

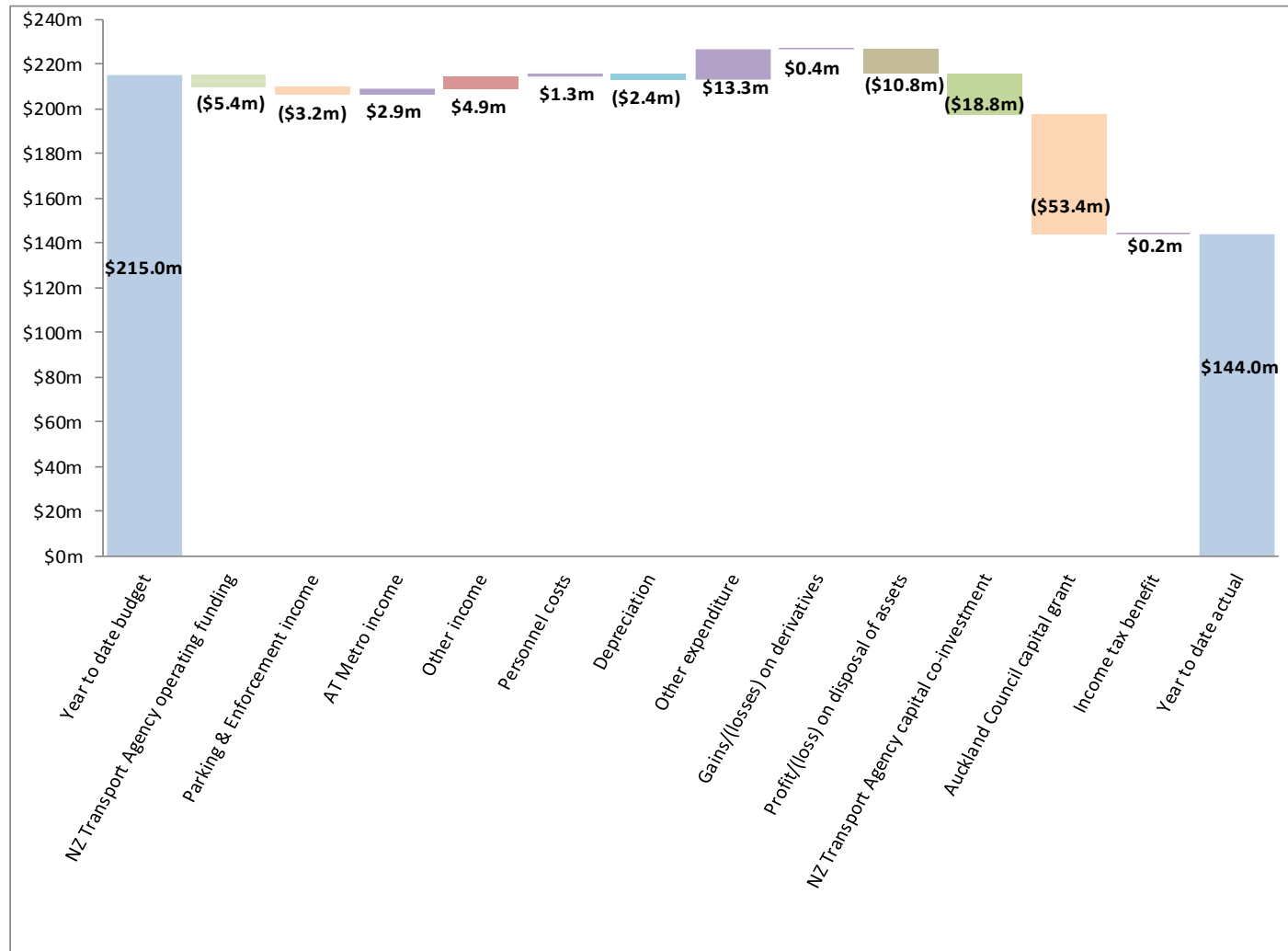
↔	: Within tolerable range	↑	: Above budget, favourable variance.
↓	: Below budget, unfavourable variance.	●	: Largely on track
↓	: Below budget, favourable variance.	●	: Monitoring, some action taken
↑	: Above budget, unfavourable variance.	●	: Action required

Section 2a – Financial results for the ten months ended 30 April 2016

	Current month			Year to date			Full year	
	Actual	Revised Budget	Variance	Actual	Revised Budget	Variance	Results achieved	
	\$000	\$000	\$000	\$000	\$000	\$000	Revised Budget \$000	
Income								
<u>Operating income</u>								
Auckland Council funding	20,813	20,813	-	208,129	208,129	-	●	249,755
NZ Transport Agency operating funding	18,083	19,195	(1,112)	194,863	200,298	(5,435)	●	235,303
Parking and enforcement income	5,941	6,751	(810)	61,848	65,065	(3,217)	●	79,258
AT Metro income	7,731	7,073	658	68,215	65,272	2,943	●	78,931
Other revenue incl. other grants and subsidies	2,321	1,831	490	26,716	21,828	4,888	●	25,592
Total operating income	54,889	55,663	(774)	559,771	560,592	(821)	●	668,839
Expenditure								
Personnel costs	11,417	12,245	828	116,010	119,943	3,933	●	145,233
Capitalised personnel costs	(2,651)	(3,138)	(487)	(26,552)	(29,179)	(2,627)	●	(37,645)
Depreciation and amortisation	27,223	27,245	22	263,954	261,605	(2,349)	●	316,939
Other expenditure	40,808	46,525	5,717	417,756	431,047	13,291	●	526,916
Finance costs (Electric Trains)	2,453	2,469	16	24,570	24,539	(31)	●	29,553
Total operating expenditure	79,250	85,346	6,096	795,738	807,955	12,217	●	980,996
Surplus/(deficit) from operations	(24,361)	(29,683)	5,322	(235,967)	(247,363)	11,396	●	(312,157)
<u>Income for capital projects</u>								
NZ Transport Agency capital co-investment	9,643	15,301	(5,658)	110,148	128,922	(18,774)	●	154,036
Auckland Council capital grant	38,484	42,406	(3,922)	280,005	333,576	(53,571)	●	435,705
Other Capital Grants	-	-	-	173	-	173	●	8,000
Vested asset income	8,672	-	8,672	125,586	91,473	34,113	●	116,473
	56,799	57,707	(908)	515,912	553,971	(38,059)	●	714,214
Net surplus/(deficit) before tax and derivatives	32,438	28,024	4,414	279,945	306,608	(26,663)	●	402,057
Gains/(losses) on derivatives	111	-	111	218	(193)	411		(193)
Profit/(loss) on disposal of assets	(9,865)	-	(9,865)	(10,759)	36	(10,795)		(722)
Income tax benefit/(expense)	-	-	-	198	-	198		-
Net surplus/(deficit) after tax and derivatives	22,684	28,024	(5,340)	269,602	306,451	(36,849)	●	401,142

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

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Rail	8,568	9,043	(475)	94,803	94,687	116	114,559
Bus	7,665	9,564	(1,899)	80,903	83,530	(2,627)	101,621
Ferry	1,152	1,081	71	10,657	11,024	(367)	13,433
Other public transport	2,553	2,616	(63)	23,071	23,503	(432)	28,479
Parking	3,539	4,079	(540)	36,885	38,746	(1,861)	47,170
Enforcement	2,402	2,673	(271)	24,963	26,319	(1,356)	32,088
Roading and footpaths	4,942	5,029	(87)	49,385	48,606	779	56,972
Internal support	3,253	765	2,488	30,976	26,049	4,927	24,762
Auckland Council operating funding	20,813	20,813	-	208,129	208,129	-	249,755
Total operating income	54,887	55,663	(776)	559,772	560,593	(821)	668,839
Operating Expenditure							
Rail	11,826	13,180	1,354	134,010	135,540	1,530	163,768
Bus	12,438	13,962	1,524	132,725	136,569	3,844	167,116
Ferry	1,437	1,536	99	13,936	15,140	1,204	18,109
Other public transport	3,919	4,178	259	33,962	35,185	1,223	44,104
Parking	957	1,103	146	10,784	10,789	5	13,062
Enforcement	1,576	1,824	248	16,621	17,302	681	20,617
Roading and footpaths	10,067	11,615	1,548	99,702	103,669	3,967	124,837
Internal support	9,808	10,704	896	90,045	92,156	2,111	112,444
Depreciation	27,223	27,245	22	263,954	261,605	(2,349)	316,939
Total operating expenditure	79,251	85,347	6,096	795,739	807,955	12,216	980,996
Surplus/(deficit) from Operations	(24,364)	(29,684)	5,320	(235,967)	(247,362)	11,395	(312,157)

Section 2c – Rail operations

	Current month			Year to date			Full year
	Actual	Revised Budget	Variance	Actual	Revised Budget	Variance	Revised Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating Income							
Activity Income	4,233	3,943	290	38,140	36,958	1,182	45,253
Other income	46	45	1	710	785	(75)	838
NZ Transport Agency operating funding	2,708	3,460	(752)	39,990	40,988	(998)	49,238
NZ Transport Agency operating funding - Electric Trains	1,581	1,595	(14)	15,963	15,956	7	19,230
Total operating income	8,568	9,043	(475)	94,803	94,687	116	114,559
Operating Expenditure							
Personnel costs	213	212	(1)	2,142	2,070	(72)	2,515
Capitalised personnel costs	1	(1)	(2)	(23)	(6)	17	-
Service delivery costs and professional services	6,144	7,234	1,090	80,843	82,176	1,333	99,345
Occupancy costs	238	278	40	2,637	2,587	(50)	3,143
Track access charges	2,665	2,375	(290)	17,185	17,100	(85)	20,749
Other expenditure	112	613	501	6,656	7,074	418	8,463
Finance costs (Electric Trains)	2,453	2,469	16	24,570	24,539	(31)	29,553
Total operating expenditure	11,826	13,180	1,354	134,010	135,540	1,530	163,768
Depreciation	3,433	3,239	(194)	34,048	32,093	(1,955)	38,597
Surplus/(deficit) from Operations	(6,691)	(7,376)	685	(73,255)	(72,946)	(309)	(87,806)
Internal support costs	2,323	3,435	1,112	20,967	23,574	2,606	31,021
Surplus/(deficit)	(9,014)	(10,811)	1,797	(94,222)	(96,520)	2,297	(118,827)

Section 2c – Bus operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Activity Income	1,571	1,432	139	13,968	13,244	724	16,166
Other income	588	528	60	3,835	3,663	172	3,957
NZ Transport Agency operating funding	5,506	7,604	(2,098)	63,100	66,623	(3,523)	81,498
Total operating income	7,665	9,564	(1,899)	80,903	83,530	(2,627)	101,621
Operating Expenditure							
Personnel costs	279	265	(14)	2,790	2,682	(108)	3,244
Capitalised personnel costs	(6)	6	12	(7)	89	96	100
Service delivery costs and professional services	12,004	13,555	1,551	128,417	132,281	3,864	161,966
Occupancy costs	56	88	32	783	921	138	1,097
Other expenditure	105	48	(57)	742	596	(146)	709
Total operating expenditure	12,438	13,962	1,524	132,725	136,569	3,844	167,116
Depreciation	264	271	7	2,425	2,430	5	2,978
Surplus/(deficit) from Operations	(5,037)	(4,669)	(368)	(54,247)	(55,469)	1,222	(68,473)
Internal support costs	2,375	3,512	1,137	21,436	24,100	2,664	31,714
Surplus/(deficit)	(7,412)	(8,181)	769	(75,683)	(79,569)	3,886	(100,187)

Section 2c – Ferry operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Operator access fees	464	364	100	3,840	3,311	529	3,894
Activity Income	111	83	28	853	821	32	987
Other income	66	63	3	532	524	8	649
NZ Transport Agency operating funding	511	571	(60)	5,432	6,368	(936)	7,903
Total operating income	1,152	1,081	71	10,657	11,024	(367)	13,433
Operating Expenditure							
Personnel costs	81	91	10	883	903	20	1,090
Capitalised personnel costs	-	-	-	(2)	(5)	(3)	(5)
Service delivery costs and professional services	1,171	1,151	(20)	11,202	12,047	845	14,292
Occupancy costs	38	66	28	574	644	70	776
Other expenditure	147	228	81	1,279	1,551	272	1,956
Total operating expenditure	1,437	1,536	99	13,936	15,140	1,204	18,109
Depreciation	245	249	4	2,482	2,484	2	2,983
Surplus/(deficit) from Operations	(530)	(704)	174	(5,761)	(6,600)	839	(7,659)
Internal support costs	274	405	131	2,471	2,778	307	3,656
Surplus/(deficit)	(804)	(1,109)	305	(8,232)	(9,378)	1,146	(11,315)

Section 2c – Other public transport operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Other income	652	615	37	6,338	5,966	372	7,187
NZ Transport Agency operating funding	1,901	2,001	(100)	16,733	17,537	(804)	21,292
Total operating income	2,553	2,616	(63)	23,071	23,503	(432)	28,479
Operating Expenditure							
Personnel costs	1,019	1,159	140	10,251	10,769	518	13,129
Capitalised personnel costs	215	103	(112)	1,550	625	(925)	834
Service delivery costs and professional services	1,296	1,960	664	12,019	14,574	2,555	18,773
IT costs	137	205	68	1,701	2,082	381	2,491
Other expenditure	1,252	751	(501)	8,441	7,135	(1,306)	8,877
Total operating expenditure	3,919	4,178	259	33,962	35,185	1,223	44,104
Depreciation	1,231	1,640	409	12,570	13,993	1,423	17,479
Surplus/(deficit) from Operations	(2,597)	(3,202)	605	(23,461)	(25,675)	2,214	(33,104)
Internal support costs	668	988	320	6,030	6,779	749	8,921
Surplus/(deficit)	(3,265)	(4,190)	925	(29,491)	(32,454)	2,963	(42,025)

Section 2c – Parking operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Other income	34	129	(95)	942	1,268	(326)	1,487
Parking Fees	3,505	3,950	(445)	35,943	37,478	(1,535)	45,683
Total operating income	3,539	4,079	(540)	36,885	38,746	(1,861)	47,170
Operating Expenditure							
Personnel costs	277	265	(12)	2,800	2,583	(217)	3,113
Capitalised personnel costs	(11)	5	16	1	48	47	58
Service delivery costs and professional services	297	302	5	3,172	3,108	(64)	3,766
Occupancy Costs	349	464	115	4,335	4,544	209	5,506
Other expenditure	45	67	22	476	506	30	619
Total operating expenditure	957	1,103	146	10,784	10,789	5	13,062
Depreciation	569	565	(4)	5,629	5,562	(67)	6,701
Surplus/(deficit) from Operations	2,013	2,411	(398)	20,472	22,395	(1,923)	27,407
Internal support costs	194	287	93	1,755	1,973	218	2,596
Surplus/(deficit)	1,819	2,124	(305)	18,717	20,422	(1,705)	24,811

Section 2c – Enforcement operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Other income	-	86	(86)	-	343	(343)	515
Infringement income	2,402	2,587	(185)	24,963	25,976	(1,013)	31,573
Total operating income	2,402	2,673	(271)	24,963	26,319	(1,356)	32,088
Operating Expenditure							
Personnel costs	858	919	61	8,795	8,914	119	10,734
Capitalised personnel costs	12	2	(10)	43	18	(25)	22
Service delivery costs and professional services	200	200	-	1,589	1,424	(165)	1,713
Occupancy Costs	-	-	-	-	-	-	-
Other expenditure	506	703	197	6,194	6,946	752	8,148
Total operating expenditure	1,576	1,824	248	16,621	17,302	681	20,617
Depreciation	9	11	2	88	92	4	115
Surplus/(deficit) from Operations	817	838	(21)	8,254	8,925	(671)	11,356
Internal support costs	303	448	145	2,734	3,074	340	4,045
Surplus/(deficit)	514	390	124	5,520	5,851	(331)	7,311

Section 2c – Roading and footpaths operations

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Petrol tax	760	727	33	7,437	7,284	153	8,737
Other income	286	319	(33)	4,442	4,151	291	4,760
NZ Transport Agency operating funding	3,896	3,983	(87)	37,506	37,171	335	43,475
Total operating income	4,942	5,029	(87)	49,385	48,606	779	56,972
Operating Expenditure							
Personnel costs	2,334	2,352	18	23,565	23,405	(160)	28,487
Capitalised personnel costs	(935)	(581)	354	(6,127)	(5,061)	1,066	(8,259)
Service delivery costs and professional services	6,711	7,822	1,111	65,089	68,016	2,927	83,152
Occupancy Costs	1,368	1,346	(22)	12,057	12,318	261	15,075
IT Costs	6	82	76	212	599	387	825
Other expenditure	583	594	11	4,906	4,392	(514)	5,557
Total operating expenditure	10,067	11,615	1,548	99,702	103,669	3,967	124,837
Depreciation	20,114	19,509	(605)	194,163	190,761	(3,402)	230,103
Surplus/(deficit) from Operations	(25,239)	(26,095)	856	(244,480)	(245,824)	1,344	(297,968)
Internal support costs	1,776	2,625	850	16,027	18,019	1,992	23,711
Surplus/(deficit)	(27,015)	(28,720)	1,706	(260,507)	(263,843)	3,336	(321,679)

Section 2c – Internal support

	Current month			Year to date			Full year
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000
Operating Income							
Rental income	1,457	758	699	13,440	9,158	4,282	10,646
Other income	(182)	27	(209)	1,397	1,235	162	1,449
NZ Transport Agency operating funding	1,978	(20)	1,998	16,139	15,656	483	12,667
Total operating income	3,253	765	2,488	30,976	26,049	4,927	24,762
Operating Expenditure							
Personnel costs	6,357	6,982	625	64,784	68,617	3,833	82,921
Capitalised personnel costs	(1,926)	(2,671)	(745)	(21,987)	(24,888)	(2,901)	(30,395)
Directors Fees	42	43	1	424	500	76	585
Service delivery costs and professional services	3,048	4,093	1,045	20,336	25,274	4,938	32,147
Other expenditure	2,287	2,257	(30)	26,488	22,653	(3,835)	27,186
Total operating expenditure	9,808	10,704	896	90,045	92,156	2,111	112,444
Depreciation	1,358	1,761	403	12,549	14,190	1,641	17,984
Income tax benefit/(expense)	-	-	-	198	-	(198)	-
Surplus/(deficit) from Operations	(7,913)	(11,700)	3,787	(71,420)	(80,297)	8,877	(105,666)
Internal support allocated	7,913	11,700	3,787	71,420	80,297	8,877	105,666
Surplus/(deficit)	-	-	-	-	-	-	-

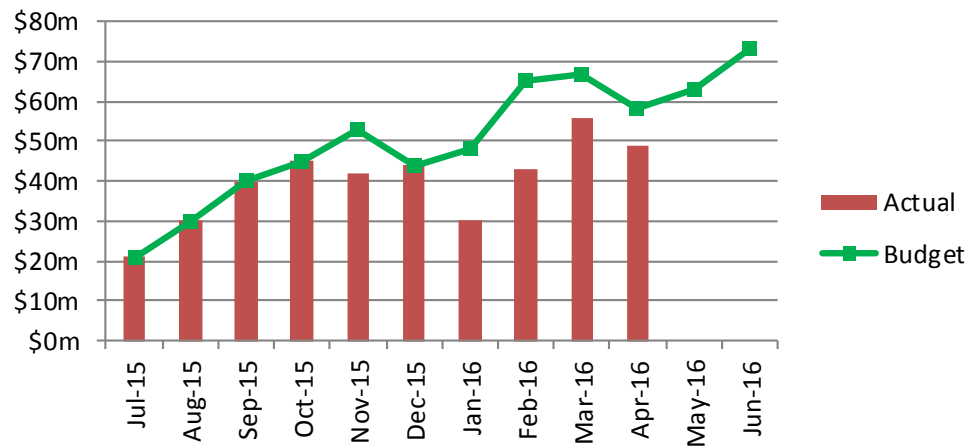
Section 3a – Summary of Capital Expenditure

	Current month			Year to date			Results achieved	Full year Budget \$000
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000		
Land								
CRL	522	2,074	1,552	11,460	13,303	1,843	●	30,063
AMETI	29	1,000	971	(1,084)	3,474	4,558	●	3,994
Special Housing Areas (SHAs)	-	4	4	12	21	9	●	5,228
Other	367	762	395	6,747	18,281	11,534	●	33,251
Total land	918	3,840	2,922	17,135	35,079	17,944	●	72,536
Major new capital projects								
CRL	5,367	5,061	(306)	45,422	40,050	(5,372)	●	49,822
Albany Highway Upgrade	2,656	1,585	(1,071)	24,940	22,940	(2,000)	●	25,609
Otahuhu Bus Interchange	2,001	3,130	1,129	9,072	12,435	3,363	●	16,975
Te Atatu Road Corridor Improvements	678	1,262	584	6,822	9,791	2,969	●	12,531
NorthWest Transformation	(215)	919	1,134	8,579	9,492	913	●	11,165
AMETI	535	879	344	(550)	7,211	7,761	●	8,944
Manukau Bus Interchange	705	1,270	565	2,209	3,861	1,652	●	4,935
Total major new capital projects	11,727	14,106	2,379	96,494	105,780	9,286	●	129,981
Other ring-fenced projects								
EMU	1,507	669	(838)	29,166	16,961	(12,205)	●	21,298
Local Board initiatives	1,286	3,725	2,439	8,792	17,553	8,761	●	22,984
Special Housing Areas (SHAs)	86	15	(71)	848	628	(220)	●	3,140
Other	(13)	754	767	3,318	5,219	1,901	●	6,549
Total other ring-fenced projects	2,866	5,163	2,297	42,124	40,361	(1,763)	●	53,971
Other								
Roads and footpaths	6,033	12,100	6,067	50,587	66,388	15,801	●	88,990
AT Metro	6,712	5,383	(1,329)	26,019	30,483	4,464	●	46,214
Parking operations	432	585	153	1,535	3,894	2,359	●	5,361
Internal support - BT	827	1,048	221	5,182	8,432	3,250	●	9,302
Internal support - Accomodation	5	-	(5)	337	297	(40)	●	297
Internal support - Other	67	532	465	867	1,758	891	●	2,977
Total other	14,076	19,648	5,572	84,527	111,252	26,725	●	153,141
Renewals	18,539	14,951	(3,588)	160,047	180,026	19,979	●	198,111
Total direct capital	48,126	57,708	9,582	400,327	472,498	72,171	●	607,740

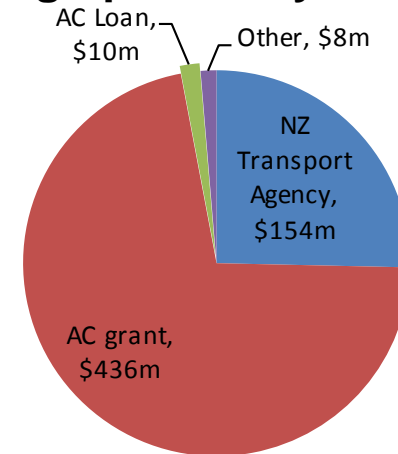
Section 3b – Capital Expenditure Funding

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Funding							
NZ Transport Agency new capital co-investment	8,325	13,177	(4,852)	48,251	68,534	(20,283)	90,777
NZ Transport Agency renewal co-investment	1,318	2,124	(806)	61,897	60,388	1,509	63,258
Other Capital Grants	-	-	-	173	-	173	8,000
Auckland Council capital grant	38,483	42,407	(3,924)	280,006	333,577	(53,571)	435,705
Auckland Council loan (EMU)	-	-	-	10,000	10,000	-	10,000
Total direct capital funding	48,126	57,708	(9,582)	400,327	472,499	(72,172)	607,740

Capital expenditure - per month (excluding vested assets)



Funding split - full year budget



Section 4a – Statement of Financial Position

As at 30 April 2016

	Note	Actual 30 April 2016 \$000	Actual 31 March 2016 \$000
Assets			
Current assets			
Cash and cash equivalents	1	10,157	5,372
Trade and other receivables	2	226,672	236,562
Inventories		10,206	9,740
Other assets		12,735	18,613
Non-current asset held for sale		5,707	4,400
Total current assets		265,477	274,687
Non-current assets			
Property, plant and equipment		16,254,033	16,250,716
Property, plant and equipment - work-in-progress		506,254	494,373
Intangible assets		120,383	115,905
Total non-current assets		16,880,670	16,860,994
Total assets		17,146,147	17,135,681

Section 4a – Statement of Financial Position

As at 30 April 2016

	Note	Actual 30 April 2016 \$000	Actual 31 March 2016 \$000
Liabilities			
Current liabilities			
Derivative financial instruments	3	198	102
Trade and other payables	4	160,578	172,955
Employee benefit liabilities	5	10,916	10,276
Borrowings	6	5,182	5,155
Total current liabilities		176,874	188,488
Non-current liabilities			
Derivative financial instruments	3	3,219	3,185
Trade and other payables	4	20,413	20,654
Employee benefit liabilities	5	675	675
Borrowings	6	491,590	491,987
Deferred tax liability	7	11,467	11,467
Total non-current liabilities		527,364	527,968
Total liabilities		704,238	716,456
Net assets		16,441,909	16,419,225
Equity			
Contributed equity		13,460,223	13,460,223
Retained earnings/(losses)		872,700	850,306
Reserves		2,108,986	2,108,696
Total equity		16,441,909	16,419,225

Section 4b – Notes to the Financial Statements

As at 30 April 2016

	Actual 30 April 2016 \$000	Actual 31 March 2016 \$000
1 Cash and cash equivalents		
Cash at bank - Trading	9,864	5,097
Till floats	293	275
Total cash and cash equivalents	10,157	5,372
The carrying value of cash and cash equivalents approximates their fair value.		
2 Trade and other receivables		
Trade debtors	3,640	2,889
Finance lease receivable	64	63
Infringements receivable	32,145	31,744
Amounts due from related parties	175,633	180,290
Accrued income	28,755	34,943
	240,237	249,929
Less provision for impairment of receivables	(13,565)	(13,367)
Total trade and other receivables	226,672	236,562

Section 4b – Notes to the Financial Statements

As at 30 April 2016

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 reporting date is the carrying value of each class of receivable mentioned above.

The ageing profile of receivables at 30 April 2016 is detailed below:

	Gross	Impaired	Net
	\$000	\$000	\$000
Not past due	208,467	-	208,467
Past due 1 - 30 days	2,373	-	2,373
Past due 31 - 60 days	2,002	-	2,002
Past due 61 - 90 days	960	-	960
Past due > 90 days	26,435	(13,565)	12,870
	240,237	(13,565)	226,672

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	1,314
Provisions reversed	(92)
Receivables written-off	(1,775)
At 30 April 2016	13,565

Section 4b – Notes to the Financial Statements

As at 30 April 2016

	Actual 30 April 2016 \$000	Actual 31 March 2016 \$000
3 Derivative financial instruments		
Current liability portion		
Forward foreign exchange contracts - cash flow hedges	198	102
Current derivative financial instruments	198	102
Non-current liability portion		
Interest rate swaps - cash flow hedges	3,219	3,185
Non-current derivative financial instruments	3,219	3,185
Total derivative financial instrument liabilities	3,417	3,287

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 - hedge accounted

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$8.1m. The foreign currency principal amount was USD \$5.5m. The cash flow hedge loss of \$198K on the revaluation has been recorded in the Statement of Financial Performance.

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 \$18m. At 30 April 2016 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.58% to 5.96%. The gain on their revaluation of \$376K has been recorded in the Statement of Financial Performance.

Section 4b – Notes to the Financial Statements

As at 30 April 2016

	Actual 30 April 2016 \$000	Actual 31 March 2016 \$000
4 Trade and other payables		
Current portion		
Creditors	20,636	32,747
Goods and services tax	4,132	1,343
Accrued expenses	120,786	124,232
Retentions	9,098	8,526
Amounts due to related parties	5,131	5,301
Income in advance	795	806
Total current trade and other payables	160,578	172,955
Non-current portion		
Amounts due to related parties	20,413	20,903
Total non-current trade and other payables	20,413	20,903
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	2,479	1,985
Accrued leave	8,437	8,291
Current employee benefit liabilities	10,916	10,276
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 30 April 2016

	Actual 30 April 2016 \$000	Actual 31 March 2016 \$000
6 Borrowings		
Current portion		
Loans from Auckland Council	5,182	5,155
Current borrowings	5,182	5,155
Non-current portion		
Loans from Auckland Council	491,590	491,987
Non-current borrowings	491,590	491,987
Weighted average cost of funds on total borrowings	6.01%	6.01%

Auckland Transport's loan debt of \$497m 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 30 April 2016 Total \$000
Deferred tax liability				
Balance at 1 July 2015	(11,665)	-	-	(11,665)
Charged to profit and loss	198	-	-	198
Charged to equity	-	-	-	-
Balance at 30 April 2016	(11,467)	-	-	(11,467)

Section 5a – Cash Flow

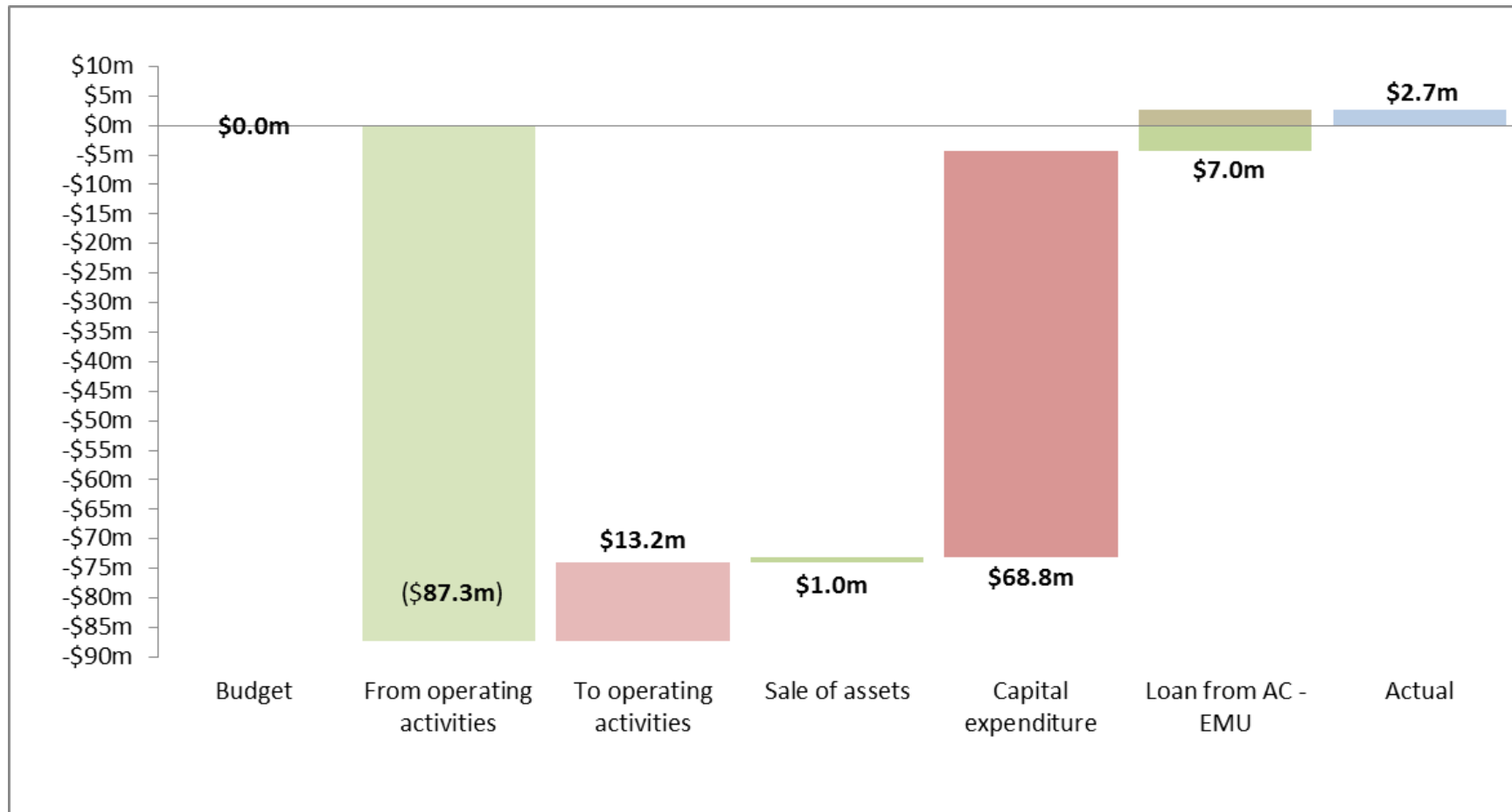
Statement of Cash Flows for the ten months ended 30 April 2016

	Year to date		Full year
	Actual \$000	Revised Budget \$000	Revised Budget \$000
Cash flows from operating activities			
Total cash provided	964,832	1,052,090	1,257,855
Cash applied to:			
Payments to suppliers, employees and directors	521,276	532,143	633,848
Interest paid	22,194	24,539	29,553
Total cash applied	543,470	556,682	663,401
Net cash from operating activities	421,362	495,408	594,454
Cash flows from investing activities			
Cash provided from:			
Sale of property, plant and equipment	952	-	-
Total cash provided	952	-	-
Cash applied to:			
Capital expenditure projects	432,695	501,498	607,740
Total cash applied	432,695	501,498	607,740
Net cash from investing activities	(431,743)	(501,498)	(607,740)
Cash flows from financing activities			
Cash provided from:			
Loan from Auckland Council - EMU	17,000	10,000	10,000
Other Capital Grants	-	-	8,000
Total cash provided	17,000	10,000	18,000
Cash applied to:			
Repayments of EMU loan from Auckland Council	3,935	3,891	4,691
Repayments of finance lease principal	23	19	23
Total cash applied	3,958	3,910	4,714
Net cash from financing activities	13,042	6,090	13,286
Net (decrease)/increase in cash and cash equivalents	2,661	-	-
Opening cash balance	7,496	-	-
Closing cash balance	10,157	-	-

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities	
	Actual \$000
Surplus/(deficit) after tax	269,602
Add/(less) non cash items	
Depreciation and amortisation	263,954
Vested assets	(125,586)
Loss on disposal of property, plant and equipment	10,758
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	198
Loss on interest rate swaps	(376)
Income tax	(198)
	148,750
Add/(less) movements in working capital	
Decrease/(Increase) in debtors and other receivables	1,356
Decrease/(Increase) in inventories	(7,654)
(Decrease)/Increase in creditors and other payables	10,301
(Decrease)/Increase in employee benefits payable	(993)
	3,010
Net cash flow from operating activities	421,362

Section 5b – Cash Flow Waterfall

Cash flow – Year to date budget to actual



Section 6 – Accounts Receivable Report

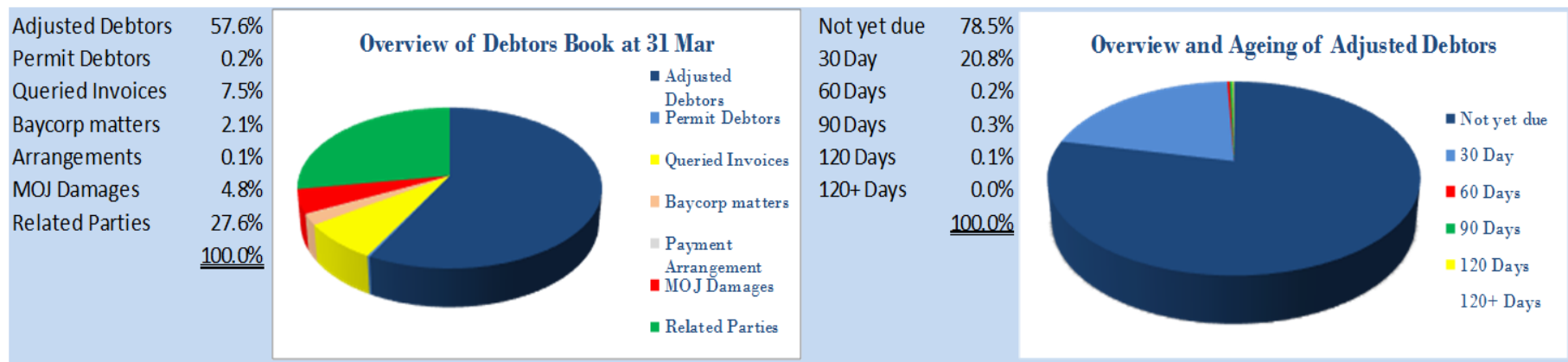
Accounts Receivable

An overview of the Debtors as at 30 April has 99.6% (97.5% March) of adjusted Debtors in 30 and 60 days, or not yet due.

<u>Debtors Ageing Analysis as at 30 April 2016</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 30 Apr	159	5,022,338	3,023,093	669,128	765,542	64,320	27,836	472,419	1
Parking Permit Debtors	26	12,259	0	2,818	2,880	1,941	4,620	0	2
Total Debtors		5,034,597	3,023,093	671,946	768,422	66,261	32,456	472,419	
		100.0%	60.0%	13.3%	15.3%	1.3%	0.6%	9.4%	
O/s Related Parties	34	1,394,594	724,128	8,637	549,747	6,305	2,174	103,603	3
Trade Debtors	154	3,640,003	2,298,965	663,309	218,674	59,956	30,283	368,816	
		100.0%	63.2%	18.2%	6.0%	1.6%	0.8%	10.1%	
Queried Invoices	177	378,571	509	54,650	207,910	30,304	18,120	67,079	4
To Baycorp (Collection)	270	106,768	0	0	0	19,905	759	86,104	5
Payment Arrangement	145	4,620	0	0	0	0	0	4,620	6
Lodged Courts (Damages)	288	242,922	17,139	2,813	3,630	1,430	8,016	209,895	7
Adjusted Debtors		2,907,122	2,281,317	605,846	7,135	8,317	3,388	1,119	
		100.0%	78.5%	20.8%	0.2%	0.3%	0.1%	0.0%	

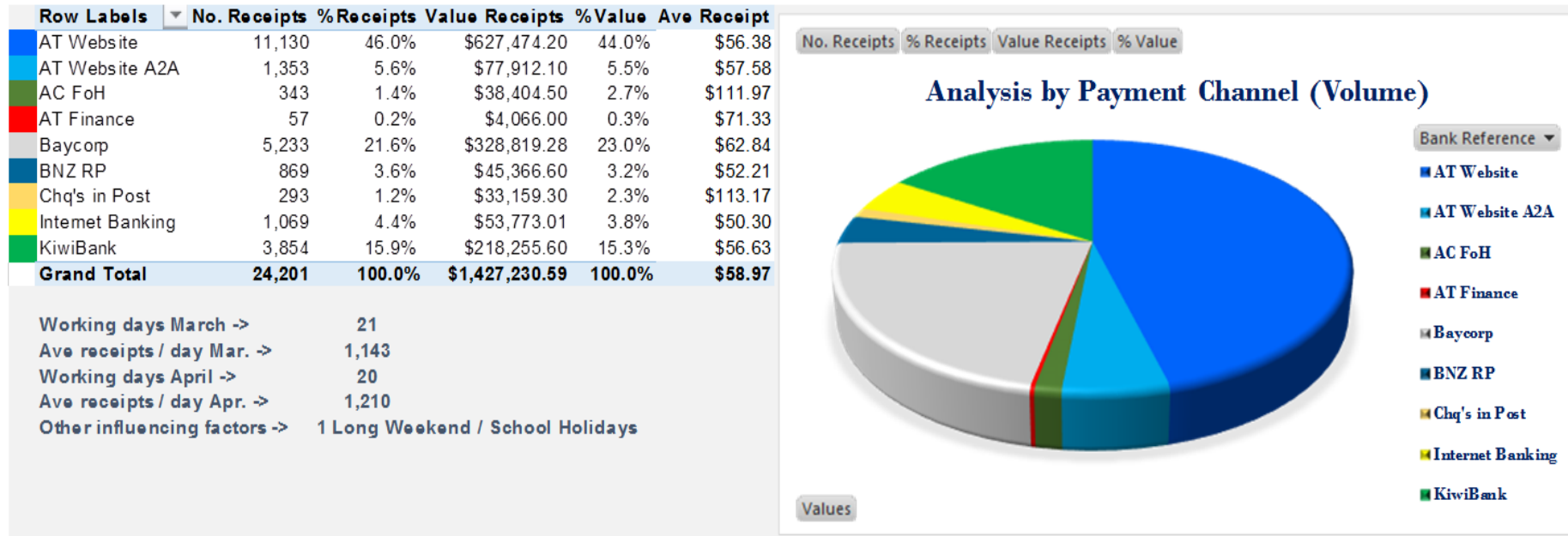
Notes relating to the Debtors Ageing Analysis:

- 1 - Sundry Debtors administered in the SAP system
- 2 - Parking Permit Debtors administered in the Pathway system. These invoices are for on street permits issued. Amounts not collected within 60 days are lodged with Baycorp for collection. Accounts not paying on time are blocked for further permits.
- 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 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.
- 6 - Relates to customers where an arrangement to pay has been agreed to. These are monitored until full payment has been received.
- 7 - 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.

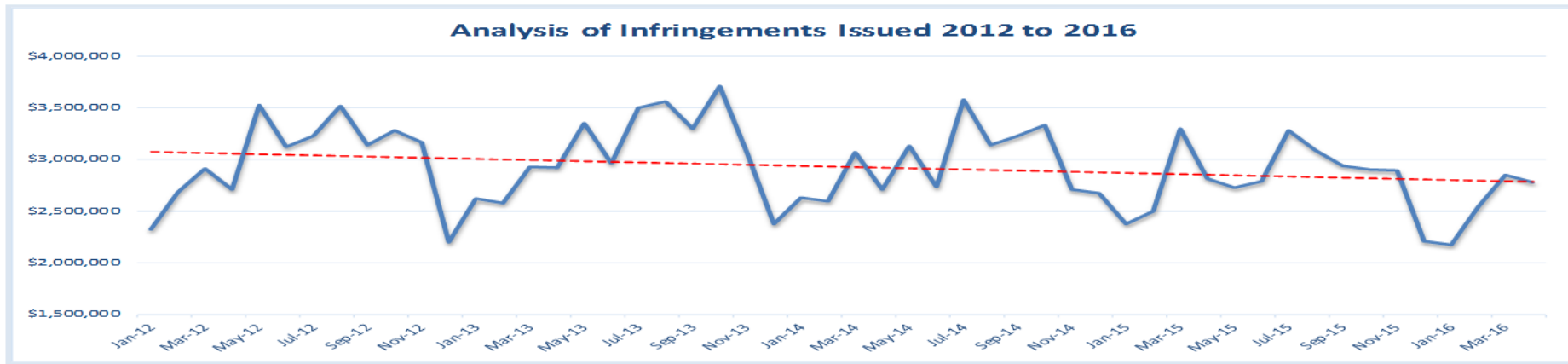


Infringement Overview:

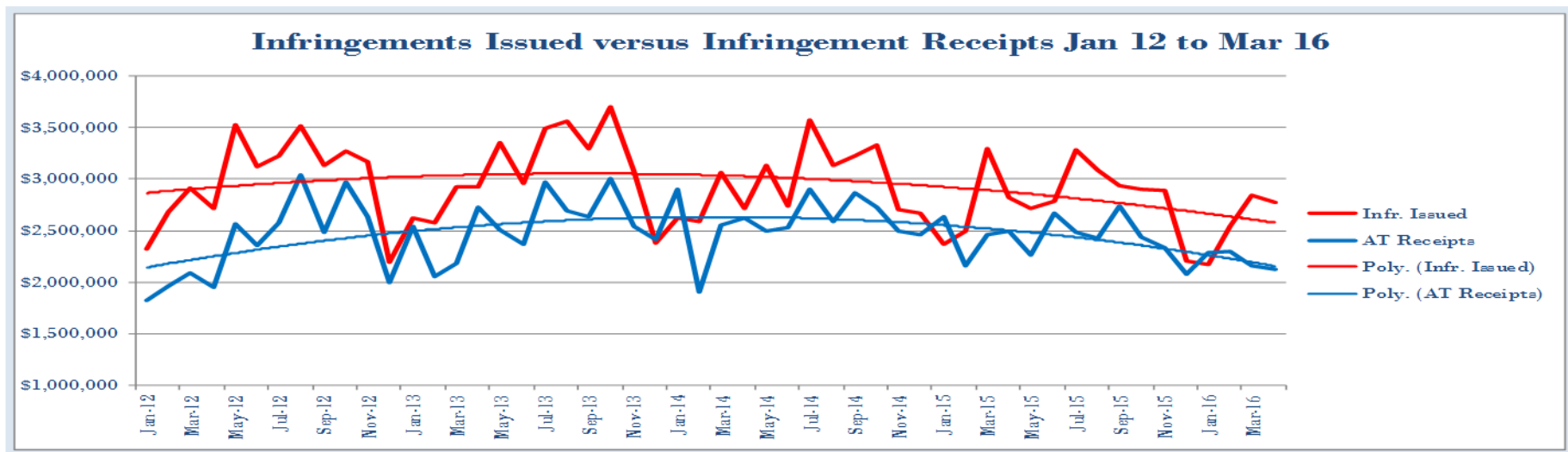
April's Infringement receipts by volume are up 0.8% on March (20 working days in April compared with 21 in March). Of the customers not paying in response to a Baycorp demand, 71.4% are making use of our electronic payment methods (71.0% in March). The AT website recorded 51.6% of all receipts. The highest average receipt by value was once again received through AC FoH and via cheque payments in the post.



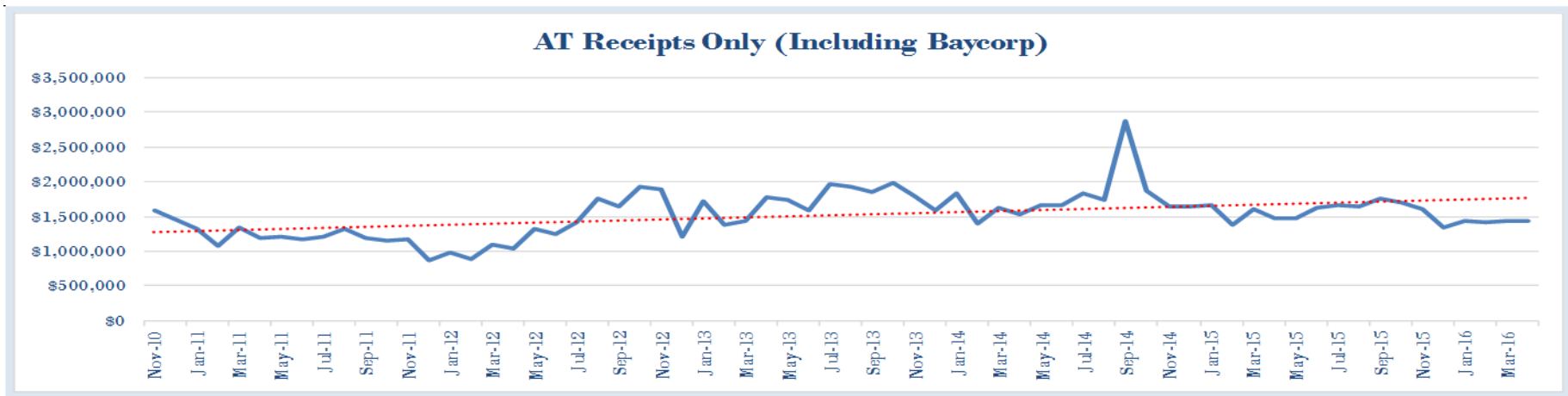
The following graph illustrates the seasonal issuance of infringements. Infringements issued in 2012 calendar year totalled \$35.8 million, 2013 \$36.8 million, 2014 \$35.5 million and 2015 \$33.8 million. Issuance for 2016 year to date is around \$145,000 per month down on the past four years.



Analysis of receipts by value show that infringements issued over the past 24 months have decreased. While collections follow the issue trend two to three months later, the collection lines over time continue to move closer as a result of improved collection rates. Overall receipts are down 11.2%, however, overall collection rates are better. Analysis of the past 12 months shows that MoJ Legacy collections down 44.1% over the preceding 12 months, MoJ's AT receipts down 9.6% and AT's receipts down 12%. This is in line with the 7% decrease in infringements issued for the same period.



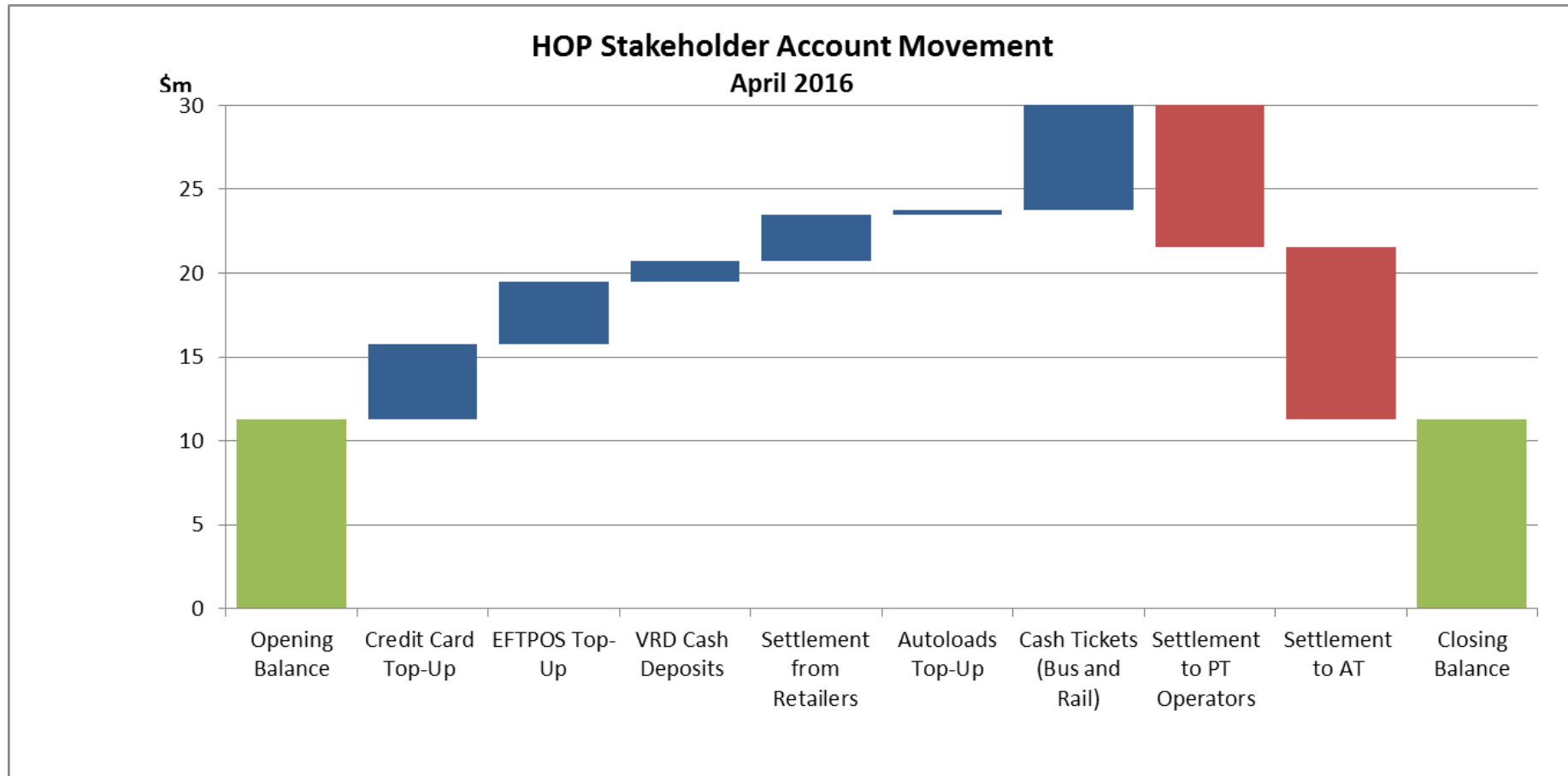
Direct receipts prior to lodging with MoJ continue to show an upward trend as a result of the Baycorp arrangement.



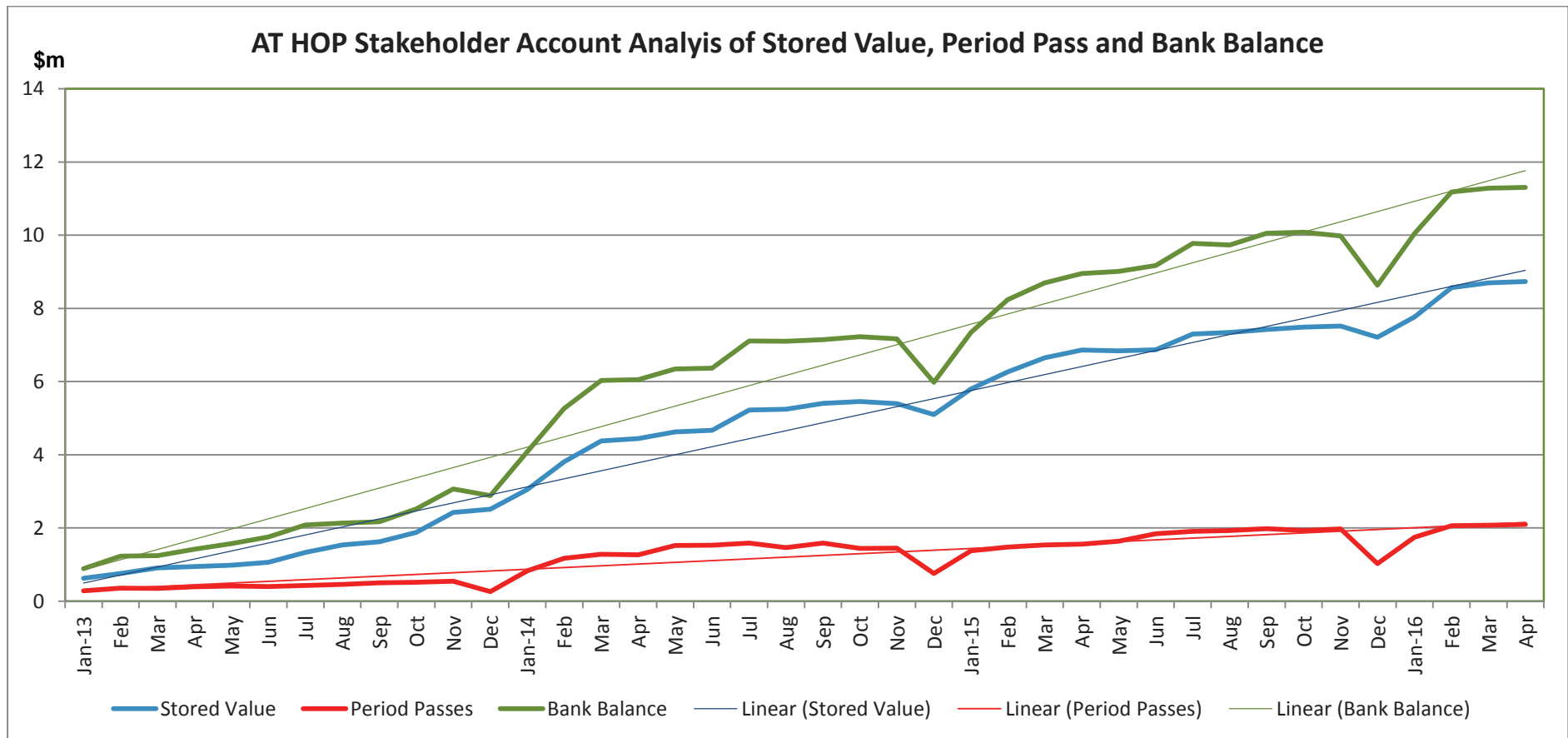
Section 7 – AT HOP Stakeholder Monthly Report

(Does not form part of AT results)





The AT HOP Stakeholder bank account finished off this month at \$11.3 million, which is 0.2% slightly higher than the previous month's \$11.2 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

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