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Results for the One Month Ended 31 July 2022

For decision: For noting:

Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

- a) Receives the report.

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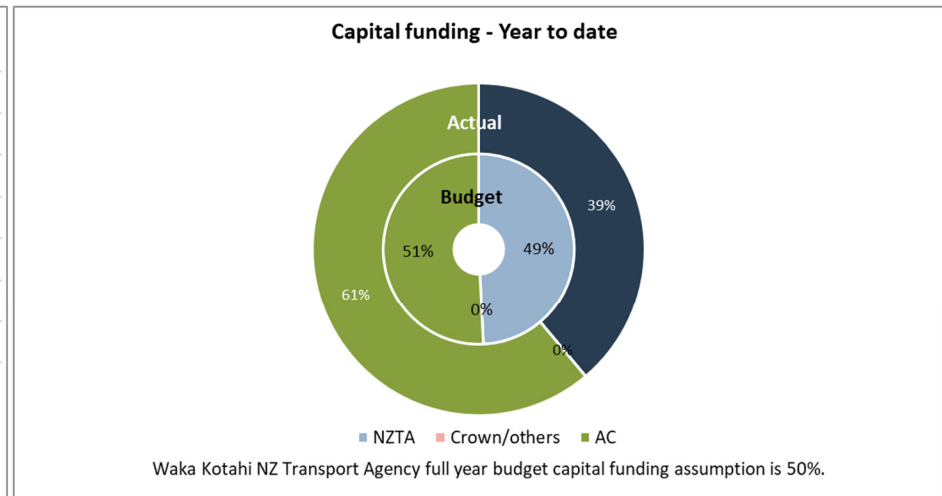
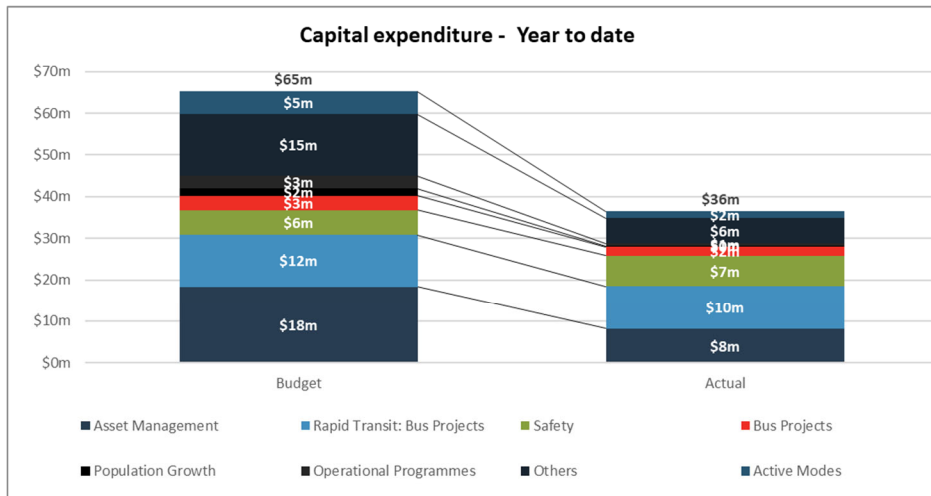
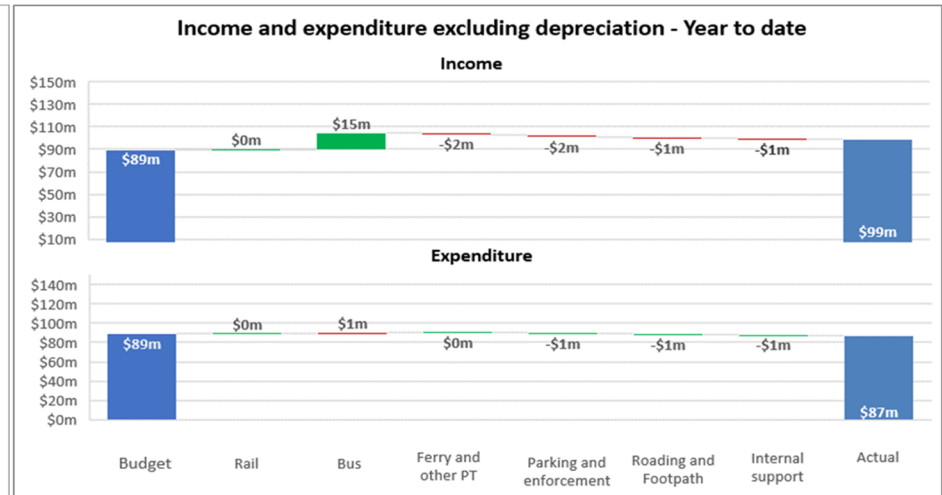
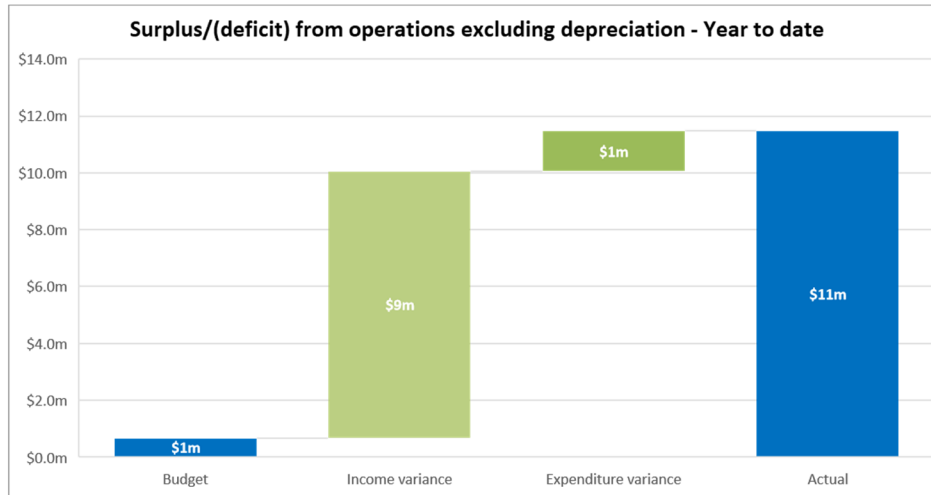
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Section 1 – Te whakarāpopototanga matua / Executive summary

1. **Deficit from operations** is \$3.6 million unfavourable to budget mainly due to an unbudgeted increase in depreciation as a result of the 30 June 2022 \$3.7 billion roading valuation increase partially offset by higher than expected operating income. An assessment of the full year impact of the valuation on depreciation will be completed after the audit of the roading valuation has been completed.
2. **Surplus from operations excluding depreciation** (\$11.5 million) is \$10.8 million favourable to budget mainly due to an unbudgeted public transport (PT) top-up from Waka Kotahi New Zealand Transport Agency (Waka Kotahi) relating to 2021/22 but only approved in July 2022. This is partially offset by lower than budgeted parking and enforcement income. Items to note:
 - Waka Kotahi funding is \$12.5 million favourable to budget mainly due to a \$14.4 million PT top-up.
 - Parking and enforcement revenue is unfavourable to budget mainly due to lower infringement ticket issuances and parking occupancy. Infringement revenue is under budget for all enforcement revenue types with special vehicle lanes 14% lower than June. With new infringement lanes being implemented in August and warrant registration offences currently under legal consultation, an increase in enforcement income is expected in the coming months.
 - Overall PT patronage for July was 57% of pre-COVID-19 levels, relatively unchanged from the 59% of pre-COVID-19 levels in June. It is worth noting that July and August budgeted PT income reflects the 50% discount in fares recovered from passengers however further months do not reflect the extension of the discount to February 2023.
 - Other revenue is unfavourable to budget mainly due to lower than expected petrol tax income.
 - Capitalised personnel cost is lower than budget mainly due to vacant positions and lower than budgeted capital expenditure for July.
 - PT contract costs are unfavourable to budget mainly due to higher than expected PT contract indexation. Actual indexation is 5.6% for Bus and 6% for Ferry, against a budget of 4%. Indexation is also \$200,000 higher for the Auckland One Rail contact and rail leave liability is \$300,000 higher than budgeted.
 - Other expenditure is favourable to budget primarily due to lower than expected IT costs, advertising, bank charges, commissions, court costs and doubtful debts.
3. **Capital expenditure** of \$36.5 million is \$28.7 million lower than budget, a slower start to the financial year with 56% delivery to plan, but consistent with performance at the same time last year.
4. **Waka Kotahi and other Crown capital funding YTD** of 39% is lower than the budget of 49%. This reflects the lower National Land Transport Fund funding AT received compared with the 50/50 assumption.
5. **Regional Fuel Tax (RFT) enabled capital spend** for July is \$17.4 million versus a full year planned spend of \$317 million which is approximately 5% of the full year RFT enabled capital budget.

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Section 1 – Te whakarāpopototanga matua / Executive summary (continued)



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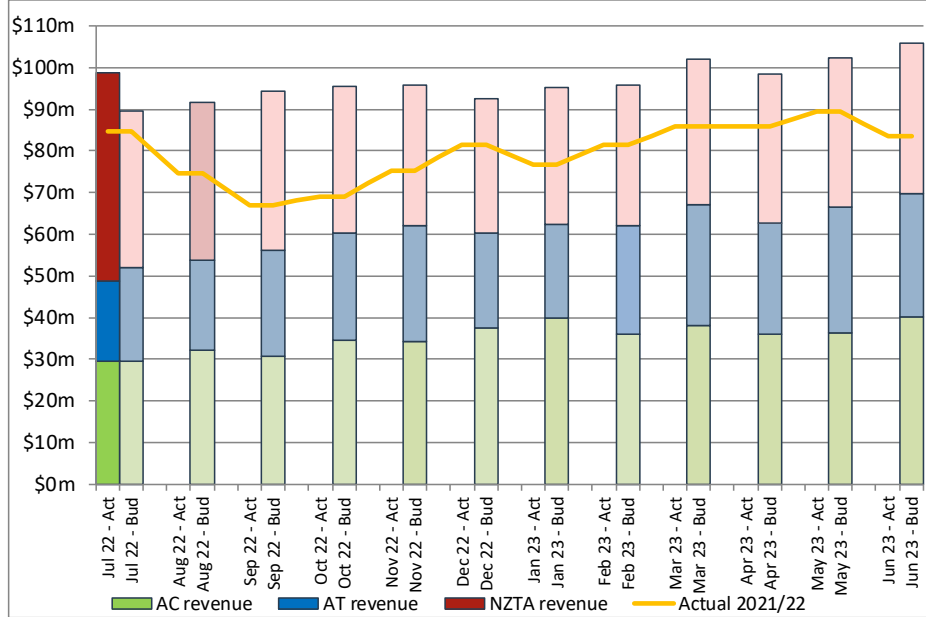
Section 2 – Financial results for the one month ended 31 July 2022

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating income				
Auckland Council funding	29,656	29,656	-	424,811
Waka Kotahi NZ Transport Agency operating funding	50,097	37,562	12,535	424,286
Parking and enforcement income	7,265	9,563	(2,298)	125,980
Public transport income	8,215	8,655	(440)	148,503
Other revenue incl. other grants and subsidies	3,606	4,018	(412)	35,742
Total operating income	98,839	89,454	9,385	1,159,322
Operating expenditure				
Personnel costs	16,524	16,818	294	226,943
Capitalised personnel costs	(2,646)	(4,972)	(2,326)	(55,557)
Public transport contracts	46,214	44,749	(1,465)	575,029
Contractors-maintenance	7,215	8,689	1,474	107,516
Professional services	1,223	2,338	1,115	31,261
Track and ferry access charges	2,811	3,057	246	42,404
Other expenditure	13,579	15,674	2,095	195,446
Finance costs	2,438	2,437	(1)	28,495
Total operating expenditure excluding depreciation	87,358	88,790	1,432	1,151,537
Surplus/(deficit) from operations excluding depreciation	11,481	664	10,817	7,785
Depreciation and amortisation	48,160	33,793	(14,367)	446,714
Surplus/(deficit) from operations	(36,679)	(33,129)	(3,550)	(438,929)
Income for capital projects				
Waka Kotahi NZ Transport Agency capital co-investment	14,075	32,361	(18,286)	434,460
Auckland Council capital grant	22,383	32,613	(10,230)	416,043
Other capital grants	-	217	(217)	6,227
Vested asset income	-	-	-	275,000
Total income for capital projects	36,458	65,191	(28,733)	1,131,730
Net surplus/(deficit) before tax and derivatives	(221)	32,062	(32,283)	692,801
Gains/(losses) on derivatives	(7,508)	-	(7,508)	-
Gain/(loss) on disposal of assets	(7)	-	(7)	-
Net surplus/(deficit) after tax and derivatives	(7,736)	32,062	(39,798)	692,801

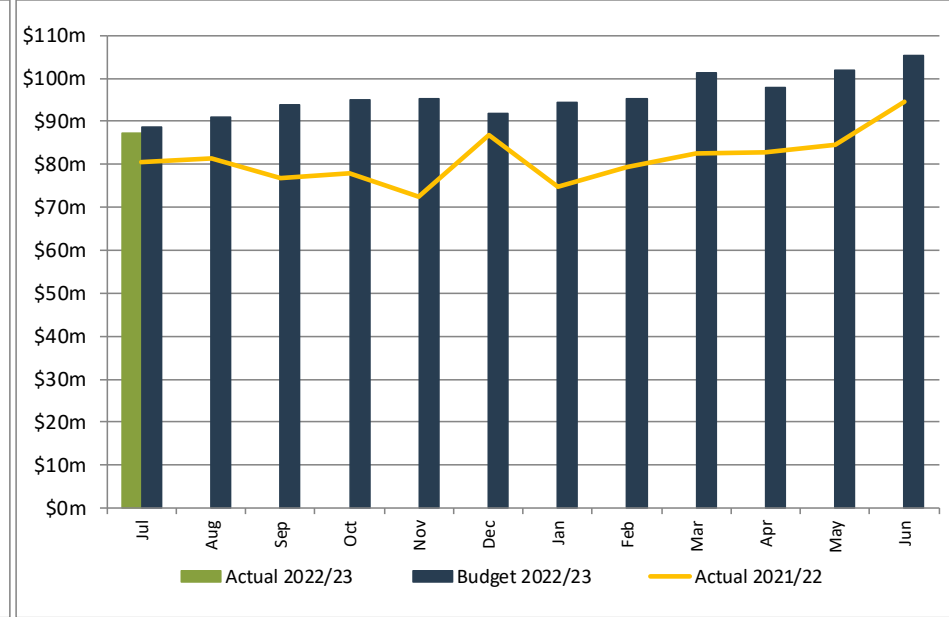
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Section 2 – Financial results for the one month ended 31 July 2022 (continued)

Operating income



Operating expenditure excluding depreciation



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Section 2a – Summary of Financial Results by Activity

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Rail	10,524	10,709	(185)	139,674
Bus	36,853	21,472	15,381	266,598
Ferry	2,397	3,132	(735)	39,626
Other public transport	1,788	2,800	(1,012)	30,220
Parking	3,070	3,943	(873)	51,496
Enforcement	4,195	5,620	(1,425)	74,483
Roothing and footpaths	6,430	7,173	(743)	73,198
Internal support	3,925	4,950	(1,025)	59,214
Auckland Council operating funding	29,656	29,656	-	424,811
Total operating income	98,838	89,455	9,383	1,159,320
Operating Expenditure				
Rail	17,103	16,774	(329)	228,228
Bus	35,163	34,331	(832)	430,286
Ferry	4,737	4,355	(382)	53,402
Other public transport	4,219	4,691	472	65,223
Parking	749	1,010	261	13,115
Enforcement	1,980	2,809	829	34,129
Roothing and footpaths	10,675	11,547	872	146,007
Internal support	12,730	13,273	543	181,147
Depreciation and amortisation	48,160	33,793	(14,367)	446,714
Total operating expenditure	135,516	122,583	(12,933)	1,598,251
Surplus/(deficit) from Operations	(36,678)	(33,128)	(3,550)	(438,931)

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Section 2b – Rail Operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Activity income	1,451	1,350	101	33,119
Other income	147	125	22	1,684
Waka Kotahi NZ Transport Agency operating funding	8,926	9,234	(308)	104,871
Total operating income	10,524	10,709	(185)	139,674
Operating Expenditure				
Personnel costs	425	592	167	7,760
Capitalised personnel costs	44	(23)	(67)	(83)
Public transport contracts	10,432	9,648	(784)	139,106
Contractors-maintenance	-	-	-	-
Professional services	(10)	7	17	425
Track access charges	2,775	3,015	240	41,942
Other expenditure	1,003	1,102	99	10,624
Finance costs	2,434	2,433	(1)	28,454
Total operating expenditure	17,103	16,774	(329)	228,228
Depreciation and amortisation	3,817	3,730	(87)	45,339
Surplus/(deficit) from Operations	(10,396)	(9,795)	(601)	(133,893)
Internal support costs	2,712	2,531	(181)	37,133
Surplus/(deficit)	(13,108)	(12,326)	(782)	(171,026)

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Section 2b – Bus Operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Activity income	4,212	4,004	208	70,935
Other income	771	635	136	11,149
Waka Kotahi NZ Transport Agency operating funding	31,870	16,833	15,037	184,514
Total operating income	36,853	21,472	15,381	266,598
Operating Expenditure				
Personnel costs	192	308	116	4,276
Capitalised personnel costs	116	(218)	(334)	(1,660)
Public transport contracts	31,796	31,472	(324)	391,917
Contractors-maintenance	76	110	34	1,450
Professional Services	84	82	(2)	2,128
Track and ferry access charges	-	-	-	-
Other expenditure	2,899	2,577	(322)	32,175
Finance costs	-	-	-	-
Total operating expenditure	35,163	34,331	(832)	430,286
Depreciation and amortisation	583	569	(14)	7,575
Surplus/(deficit) from Operations	1,107	(13,428)	14,535	(171,263)
Internal support costs	5,113	4,772	(341)	70,008
Surplus/(deficit)	(4,006)	(18,200)	14,194	(241,271)

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Section 2b – Ferry Operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Operator access fees	519	498	21	7,371
Activity income	355	793	(438)	14,130
Other income	118	93	25	1,119
Waka Kotahi NZ Transport Agency operating funding	1,405	1,748	(343)	17,006
Total operating income	2,397	3,132	(735)	39,626
Operating Expenditure				
Personnel costs	80	109	29	1,420
Capitalised personnel costs	(36)	(50)	(14)	(552)
Public transport contracts	3,985	3,630	(355)	44,017
Contractors-maintenance	-	-	-	-
Professional Services	1	-	(1)	-
Ferry access charges	37	42	5	462
Other expenditure	670	624	(46)	8,055
Finance costs	-	-	-	-
Total operating expenditure	4,737	4,355	(382)	53,402
Depreciation and amortisation	467	465	(2)	5,719
Surplus/(deficit) from Operations	(2,807)	(1,688)	(1,119)	(19,495)
Internal support costs	635	592	(42)	8,689
Surplus/(deficit)	(3,442)	(2,280)	(1,161)	(28,184)

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Section 2b – Other Public Transport Operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Other income	641	1,157	(516)	8,995
Waka Kotahi NZ Transport Agency operating funding	1,147	1,643	(496)	21,225
Total operating income	1,788	2,800	(1,012)	30,220
Operating Expenditure				
Personnel costs	2,481	2,221	(260)	30,456
Capitalised personnel costs	(87)	(284)	(197)	(2,308)
Public transport contracts	-	-	-	-
Contractors-maintenance	898	931	33	12,968
Professional Services	170	589	419	5,581
Track and ferry access charges	-	-	-	-
IT costs	50	52	2	622
Other expenditure	707	1,182	475	17,904
Finance costs	-	-	-	-
Total operating expenditure	4,219	4,691	472	65,223
Depreciation and amortisation	453	467	14	5,847
Surplus/(deficit) from Operations	(2,884)	(2,358)	(526)	(40,850)
Internal support costs	775	723	(52)	10,612
Surplus/(deficit)	(3,659)	(3,081)	(578)	(51,462)

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Section 2b – Parking Operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Parking Fees	2,928	3,886	(958)	50,906
Other income	142	57	85	590
Total operating income	3,070	3,943	(873)	51,496
Operating Expenditure				
Personnel costs	232	240	8	3,120
Capitalised personnel costs	(15)	(29)	(14)	(312)
Public transport contracts	-	-	-	-
Contractors-maintenance	130	135	5	1,796
Professional Services	8	12	4	130
Track and ferry access charges	-	-	-	-
Other expenditure	394	652	258	8,381
Finance costs	-	-	-	-
Total operating expenditure	749	1,010	261	13,115
Depreciation and amortisation	718	802	84	9,753
Surplus/(deficit) from Operations	1,603	2,131	(528)	28,628
Internal support costs	156	145	(10)	2,134
Surplus/(deficit)	1,447	1,986	(538)	26,494

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Section 2b – Enforcement Operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Infringement income	4,190	5,620	(1,430)	74,483
Other income	5	-	5	-
Total operating income	4,195	5,620	(1,425)	74,483
Operating Expenditure				
Personnel costs	1,020	988	(32)	13,249
Capitalised personnel costs	2	13	11	137
Public transport contracts	-	-	-	-
Contractors-maintenance	182	262	80	3,143
Professional Services	7	8	1	100
Track access charges	-	-	-	-
Debt forgiven/written off by MOJ	105	75	(30)	969
Movement in doubtful debts	67	390	323	5,133
Other expenditure	597	1,073	476	11,398
Finance costs	-	-	-	-
Total operating expenditure	1,980	2,809	829	34,129
Depreciation and amortisation	93	92	(1)	1,257
Surplus/(deficit) from Operations	2,122	2,719	(597)	39,097
Internal support costs	406	379	(27)	5,553
Surplus/(deficit)	1,716	2,340	(624)	33,544

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Section 2b – Roading and Footpaths Operations

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Petrol tax	395	937	(542)	10,848
Other income	1,971	1,871	100	10,418
Waka Kotahi NZ Transport Agency operating funding	4,064	4,365	(301)	51,932
Total operating income	6,430	7,173	(743)	73,198
Operating Expenditure				
Personnel costs	3,175	3,148	(27)	42,257
Capitalised personnel costs	(822)	(1,216)	(394)	(14,457)
Public transport contracts	-	-	-	-
Contractors-maintenance	5,852	7,141	1,289	86,052
Professional Services	329	574	245	7,752
Track and ferry access charges	-	-	-	-
Utilities and facilities costs	-	-	-	-
Other expenditure	2,141	1,900	(241)	24,403
Finance costs	-	-	-	-
Total operating expenditure	10,675	11,547	872	146,007
Depreciation and amortisation	39,302	25,229	(14,073)	335,274
Surplus/(deficit) from Operations	(43,547)	(29,603)	(13,944)	(408,083)
Internal support costs	1,735	1,619	(116)	23,756
Surplus/(deficit)	(45,282)	(31,222)	(14,060)	(431,839)

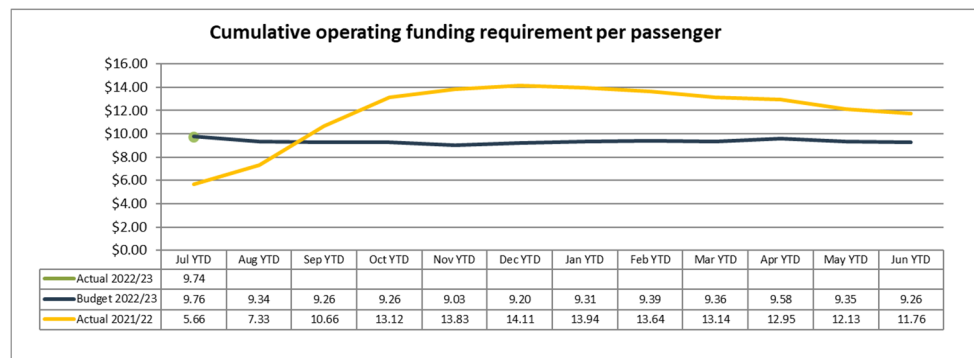
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Section 2b – Internal Support

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Operating Income				
Rental income	647	712	(65)	8,242
Other income	593	499	94	6,234
Waka Kotahi NZ Transport Agency operating funding	2,685	3,739	(1,054)	44,738
Total operating income	3,925	4,950	(1,025)	59,214
Operating Expenditure				
Personnel costs	8,919	9,213	294	124,405
Capitalised personnel costs	(1,848)	(3,165)	(1,317)	(36,323)
Public transport contracts	-	(1)	(1)	(10)
Contractors-maintenance	76	110	34	2,107
Professional services	634	1,066	432	15,145
Track and ferry access charges	-	-	-	-
IT costs	3,126	3,829	703	46,714
Directors fees	53	43	(10)	515
Other expenditure	1,767	2,175	408	28,553
Finance costs	3	3	-	41
Total operating expenditure	12,730	13,273	543	181,147
Depreciation and amortisation	2,727	2,439	(288)	35,951
Surplus/(deficit) from Operations	(11,532)	(10,762)	(770)	(157,884)
Internal support allocated	11,532	10,762	(770)	157,884
Surplus/(deficit)	-	-	-	-

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Section 2c – Operational funding requirement per passenger for the one month ended 31 July 2022



The operational cost (net of third party revenue) of \$9.74 per passenger on the PT Network is lower than the budget of \$9.76. It is important to recognise that the July external revenues reflect the 50% discount in fares recovered from passengers.

	Current month				Year to date				Full year
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %	Budget
Rail, Bus and Ferry operations:									
Operating expenditure \$000	54,569	53,027	(1,542)	(3%)	54,569	53,027	(1,542)	(3%)	683,462
Less external revenues \$000	7,573	7,498	75	1%	7,573	7,498	75	1%	139,507
Operating funding requirement \$000	46,996	45,529	(1,467)	(3%)	46,996	45,529	(1,467)	(3%)	543,955
Patronage 000's	4,827	4,666	161	3%	4,827	4,666	161	3%	58,765
Operating funding requirement per passenger	\$9.74	\$9.76	\$0.02	0%	\$9.74	\$9.76	\$0.02	0%	\$9.26

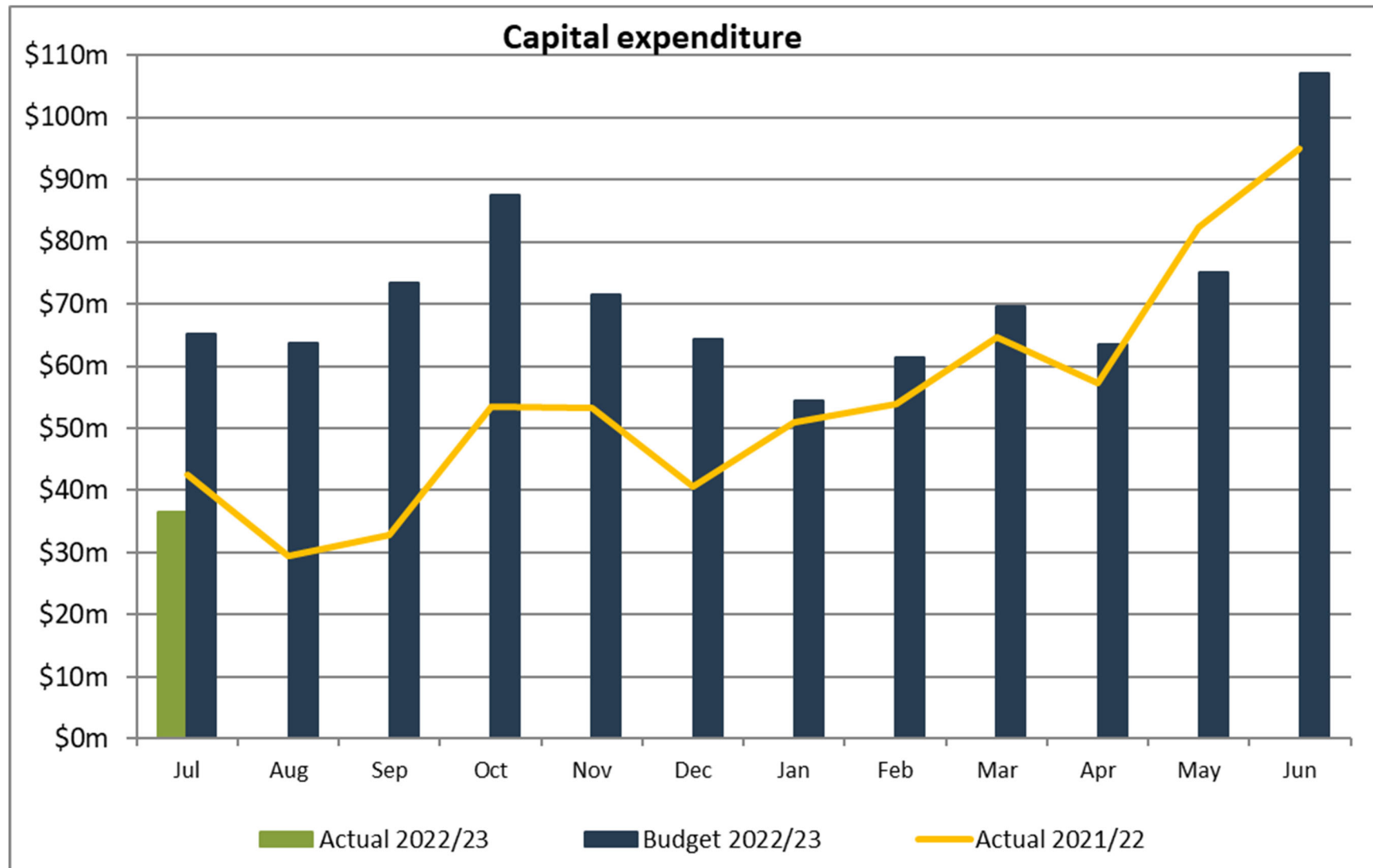
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Section 3a – Summary of Capital Expenditure

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Regional Land Transport Plan (RLTP) grouping				
Active Modes	1,639	5,410	3,771	91,053
Asset Management	8,241	18,362	10,121	219,734
Bus Projects	2,098	3,359	1,261	42,111
Corridor Improvements	1,269	3,474	2,205	32,009
Ferry, Multi-modal, and Park and Ride	1,007	2,330	1,323	44,458
Local Board Priorities	926	1,076	150	17,205
Network Capacity and Performance	1,254	2,089	835	9,302
Operational Programmes	619	3,064	2,445	29,195
Population Growth	214	1,780	1,566	44,577
Rapid Transit: Bus Projects	10,216	12,452	2,236	180,803
Rapid Transit: Rail Projects	1,498	5,410	3,912	58,602
Safety	7,394	6,005	(1,389)	68,241
Sustainability Projects that are in addition to travel choice projects	82	381	299	4,676
Climate Action Targeted Rate	-	-	-	14,765
Total direct capital	36,457	65,192	28,735	856,731

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Section 3a – Summary of Capital Expenditure (continued)



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Section 3b – Capital Expenditure Funding

	Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000
Direct capital funding				
Waka Kotahi NZ Transport Agency new capital co-investment	10,235	30,467	(20,232)	415,257
Waka Kotahi NZ Transport Agency renewal co-investment	3,840	1,894	1,946	19,203
Other capital grants	-	217	(217)	6,227
Auckland Council capital grant	22,383	32,613	(10,230)	416,043
Total direct capital funding	36,458	65,191	(28,733)	856,730

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Section 3c – RFT Capital and Operational Expenditure

RFT Capital Expenditure

	Year to date			Full year		
	Actual Not RFT Enabled \$000	Actual RFT Enabled \$000	Actual Total \$000	Budget Not RFT Enabled \$000	Budget RFT Enabled \$000	Budget Total \$000
Capital expenditure	19,105	17,352	36,458	539,348	317,382	856,730
Funding						
Waka Kotahi NZ Transport Agency	9,738	4,337	14,075	289,042	145,418	434,460
Others (ACC,Crown, others)	-	-	-	6,227	-	6,227
Auckland Council	9,367	13,016	22,383	244,079	171,964	416,043
Total funding	19,105	17,352	36,458	539,348	317,382	856,730
Programme of capital projects supported by the RFT scheme						
Project 1: Bus priority improvements		559			23,314	
Project 2: City centre bus infrastructure		250			3,200	
Project 3: Improving airport access		515			8,379	
Project 4: Eastern Busway		7,320			133,665	
Project 5: Park-and-ride facilities		8			-	
Project 6: Electric trains and stabling		121			2,901	
Project 7: Downtown ferry terminal and redevelopment		(172)			30,430	
Project 8: Road safety		6,262			54,710	
Project 9: Active transport		524			22,061	
Project 10: Penlink		-			-	
Project 11: Mill Road corridor		-			-	
Project 12: Road corridor improvements		961			21,028	
Project 13: Network capacity and performance improvement		993			6,347	
Project 14: Growth-related transport infrastructure		11			11,347	
Total		17,352			317,382	

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RFT Operating Expenditure

	Year to date			Full year		
	Actual Not RFT Enabled	Actual RFT Enabled	Actual Total	Budget Not RFT Enabled	Budget RFT Enabled	Budget Total
Operating expenditure		35			1,515	
<i>Note: Fully funded by Auckland Council</i>						
Programme of operating projects supported by the Auckland RFT scheme						
Project 8: Road safety		35			1,515	
Total		35			1,515	

Section 3d – Vested Assets

No vested assets were processed in July due to financial year end reporting.

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Section 4a – Statement of Financial Position

As at 31 July 2022

	Note	Actual 31 July 2022 \$000	Actual 30 June 2022 \$000
Assets			
Current assets			
Cash and cash equivalents	1	5,418	4,390
Receivables	2	544,029	586,353
Inventories		13,193	13,356
Other assets		14,954	10,276
Non-current assets held for sale		157	157
Total current assets		577,751	614,532
Non-current assets			
Property, plant and equipment (PPE)		25,487,616	25,524,825
Intangible assets		122,387	123,359
Work in progress (PPE and intangible assets)	3	811,085	784,601
Total non-current assets		26,421,088	26,432,785
Total assets		26,998,839	27,047,317

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Section 4a – Statement of Financial Position (continued)

As at 31 July 2022

	Note	Actual 31 July 2022 \$000	Actual 30 June 2022 \$000
Liabilities			
Current liabilities			
Payables and accruals	4	233,142	281,567
Employee entitlements	5	18,407	17,487
Derivative financial instruments		1,363	401
Borrowings	6	8,886	8,847
Total current liabilities		261,798	308,302
Non-current liabilities			
Payables and accruals	4	3,229	3,505
Employee entitlements	5	289	289
Derivative financial instruments		8,864	2,043
Borrowings	6	470,431	471,222
Total non-current liabilities		482,813	477,059
Total liabilities		744,611	785,361
Net assets		26,254,228	26,261,956
Equity			
Contributed capital		13,220,520	13,220,520
Accumulated funds		4,828,444	4,836,172
Other reserves		8,205,264	8,205,264
Total equity		26,254,228	26,261,956

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Section 4b – Notes to the Financial Statements

As at 31 July 2022

	Actual 31 July 2022 \$000	Actual 30 June 2022 \$000
1 Cash and cash equivalents		
Cash at bank	5,185	4,155
Till floats	233	235
Total cash and cash equivalents	5,418	4,390

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

2 Receivables		
Trade and other debtors	11,346	4,774
Infringement receivable	45,910	45,782
Amounts due from related parties	430,395	481,277
Accrued revenue	77,249	76,365
	565,939	608,197
Less provision for impairment of receivables	(21,910)	(21,844)
Total current receivables	544,029	586,353

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Section 4b – Notes to the Financial Statements (continued)

As at 31 July 2022

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 is detailed below:

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Amounts due from related parties	Total
	\$000	\$000	\$000	\$000	\$000
Not past due	8,645	3,185	-	428,995	440,825
Past due 1 - 30 days	1,781	2,313	-	440	4,534
Past due 31 - 60 days	74	2,213	-	405	2,692
Past due 61 - 90 days	118	1,600	-	341	2,059
Past due > 90 days	728	2,321	34,278	214	37,541
	11,346	11,632	34,278	430,395	487,651
Impairment	(381)	(1,306)	(20,223)	-	(21,910)
	10,965	10,326	14,055	430,395	465,741

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 AT management concluding that it is remote that the overdue amounts will be recovered.

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Section 4b – Notes to the Financial Statements (continued)

As at 31 July 2022

	Trade and other debtors	Infringements receivables	Infringements receivables MOJ debtor	Total
	\$000	\$000	\$000	\$000
Balance at 30 June 2022	381	1,426	20,036	21,843
Additional/(Reversal) provisions made	-	-	187	187
Provisions reversed	-	(120)	-	(120)
Provisions relating to receivables written-off	-	-	-	-
Balance at 31 July 2022	381	1,306	20,223	21,910

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Section 4b – Notes to the Financial Statements (continued)

As at 31 July 2022

	Opening balance 01 July 2022 \$000	Acquisition YTD 31 July 2022 \$000	Capitalisation YTD 31 July 2022 \$000	Closing balance 31 July 2022 \$000
3 Work in Progress (WIP)				
WIP by activity				
Roads and footpaths	539,653	23,242	(135)	562,760
Public Transport	201,531	5,126	(581)	206,075
Parking operations	4,291	45	-	4,336
Internal support	39,126	865	(2,078)	37,913
Total WIP	784,601	29,278	(2,794)	811,085
WIP by status				
Current WIP (completion in future)				543,837
Due for capitalisation within policy				226,307
Due for capitalisation not within policy				40,475
Forecast completion date not yet provided (new projects)				466
Total WIP				811,085

Assets due for capitalisation has increased as capitalisation was not able to be completed in July until the prior year WIP (2021/22) had been finalised as part of financial year end reporting.

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Section 4b – Notes to the Financial Statements (continued)

As at 31 July 2022

Top 10 Programmes	WIP Closing balance
	31 July 2022
	\$000
AMETI	139,836
SGA Network Growth	56,688
New Northern Busway Station & Park&Ride	45,205
Warkworth Matakana Link (SH1 to Matakana	40,382
Wolverton Culvert Emergency Work	32,970
Tech-Corporate Programme	28,469
Integrated Corridor	20,564
High Risk Urban Programme	18,229
Glen Innes to Tamaki Drive Scheme CycleWay	15,025
Network Optimisation Programme	14,969
Total	412,336

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Section 4b – Notes to the Financial Statements (continued)

As at 31 July 2022

	Actual 31 July 2022 \$000	Actual 30 June 2022 \$000
4 Payables and accruals		
Current portion		
Creditors	14,553	70,541
Goods and services tax	-	2,186
Accrued expenses	169,100	164,021
Retentions	21,883	21,245
Amounts due to related parties	24,457	22,445
Revenue in advance	3,149	1,129
Total current payables	233,142	281,567
Non-current portion		
Amounts due to related parties	3,229	3,505
Total non-current payables	3,229	3,505

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.

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Section 4b – Notes to the Financial Statements (continued)

As at 31 July 2022

	Actual 31 July 2022 \$000	Actual 30 June 2022 \$000
5 Employee entitlements		
Current portion		
Accrued salaries and wages	3,571	2,819
Accrued leave	14,836	14,668
Total current employee entitlements	18,407	17,487
Non-current portion		
Retirement gratuities	253	253
Long service leave	36	36
Total non-current employee entitlements	289	289

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Section 4b – Notes to the Financial Statements (continued)

As at 31 July 2022

	Actual 31 July 2022 \$000	Actual 30 June 2022 \$000
6 Borrowings		
Current portion		
Finance lease	1,063	1,062
Loans from Auckland Council	7,823	7,785
Total current borrowings	8,886	8,847
Non-current portion		
Finance lease	2,795	2,884
Loans from Auckland Council	467,636	468,338
Total non-current borrowings	470,431	471,222
Weighted average cost of funds on total borrowings	6.02%	6.02%

AT's loan debt of \$475 million is issued at fixed rates of interest ranging from 5.55% to 6.57%.

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Section 5 – Cashflow

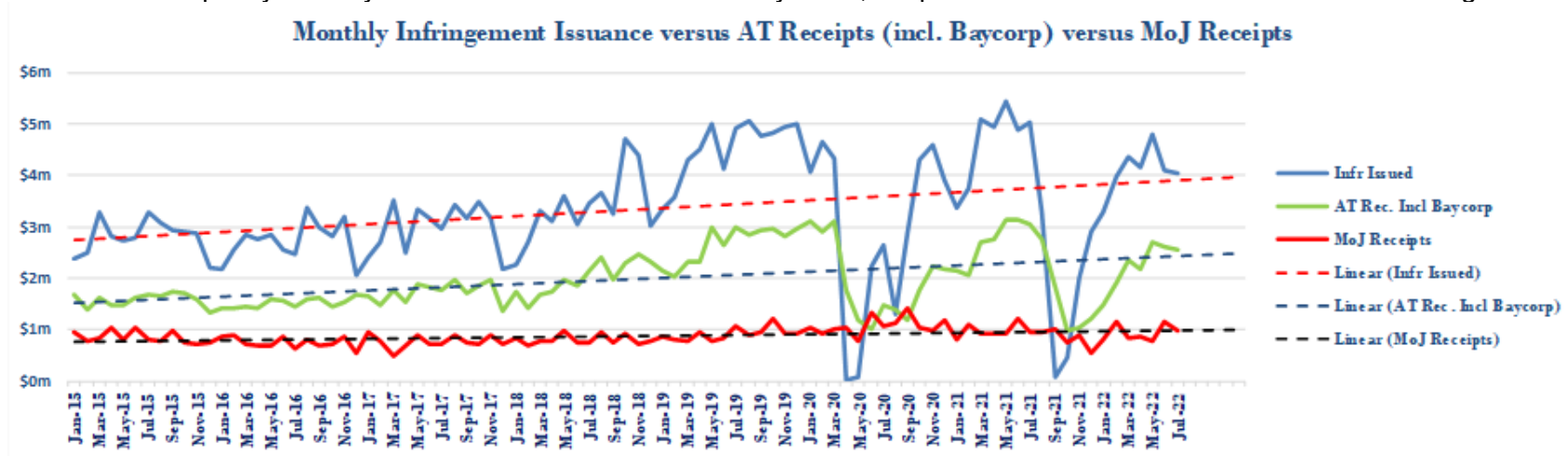
	Full year		Full year
	Actual \$000	Budget \$000	Budget \$000
Cash flows from operating activities			
Total cash provided	180,354	174,862	2,018,665
Cash applied to			
Payments to suppliers and employees	89,372	86,571	1,132,776
Interest paid	2,085	2,436	28,495
Goods and services tax	3,226	-	-
Total cash applied	94,683	89,007	1,161,271
Net cash from operating activities	85,671	85,855	857,394
Cash flows from investing activities			
Cash applied to:			
Purchase of property, plant and equipment	83,891	85,191	856,730
Net cash from investing activities	(83,891)	(85,191)	(856,730)
Cash flows from financing activities			
Cash applied to			
Repayments of EMU loan from Auckland Council	664	664	664
Repayments of finance lease principal	88	-	-
Net cash from financing activities	(752)	(664)	(664)
Net (decrease)/increase in cash and cash equivalent	1,028	-	-
Opening cash and cash equivalents	4,390	-	-
Closing cash balance	5,418	-	-

Reconciliation of surplus after tax to net cash from operating activities	
	Actual \$000
Surplus after tax	(7,736)
Add/(less) non-cash items	
Depreciation and amortisation	48,160
(Gains)/losses on derivatives	7,783
	55,943
Add/(less) movements in balance sheet items	
Receivables	42,324
Inventories	163
Other assets	(4,678)
Payables and accruals	(1,265)
Employee entitlements	920
	37,464
Net cash from operating activities	85,671


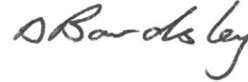
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Section 6 – Infringement Overview

Over 91 months (January 2015 to July 2022), the trend for both infringements issued and receipts (including Baycorp) is positive and increasing while the trend for receipts by Ministry of Justice has remained relatively static, despite the fact that more matters have been lodged with them.



Te pou whenua tuinga / Document ownership

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