

# Financial Results for the Eleven Months Ended 31 May 2013

This report summarises the Auckland Transport financial results for the eleven months ended 31 May 2013.

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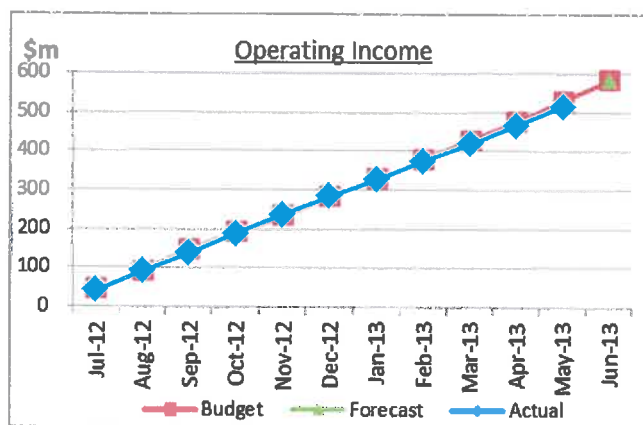
## Executive Summary

### Financial Results for the eleven months ended 31 May 2013:

	Current month variance to Forecast \$m	Year to date variance to Forecast \$million	Year to date results	Year to date Actual \$million	Year to date Forecast \$million	Full year Forecast \$m	Full Year Budget \$million
Total operating income	(2.0)	(9.1)	↓ ●	515.8	525.0	577.0	583.6
Total operating expenditure	5.6	13.4	↓ ●	740.2	753.6	828.6	824.2
Surplus/(deficit) from operations	3.6	4.3	↑ ●	(224.3)	(228.6)	(251.6)	(240.6)
Income for capital projects	8.8	12.0	↑ ●	660.2	648.3	693.7	243.0
Net surplus/(deficit) before tax	12.3	16.2	↑ ●	435.9	419.7	442.1	2.4
Total capital expenditure	(16.2)	46.8	↓ ●	969.1	1,015.9	1,103.5	719.8

#### Key to symbols used:

↔	: Within tolerable range	↑	: Above forecast, favourable variance
↓	: Below forecast, unfavourable variance	●	: Achieved forecast or better
↓	: Below forecast, favourable variance	●	: Monitoring, some action taken
↑	: Above forecast, unfavourable variance	●	: Action required

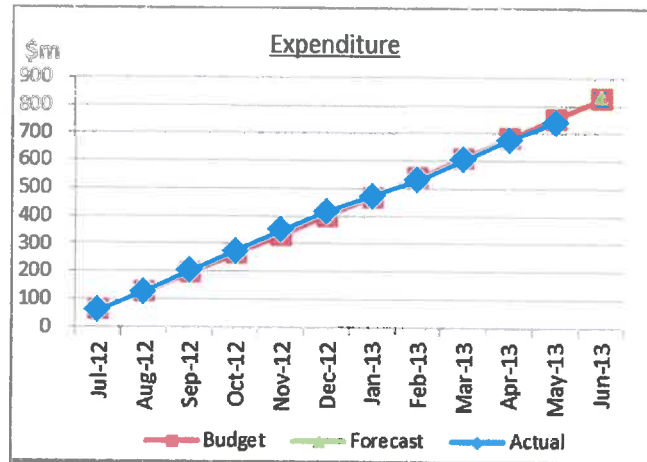


**Total operating income year to date is \$9.1m net unfavourable to forecast. This is mainly due to:**

- lower than forecast NZTA operational income \$12.0m due to lower expenditure than forecast

partly offset by:

- higher than forecast Auckland Council operational funding of \$2.9m which is forecast to be received in June.



**Total operating expenditure year to date** is below forecast by net \$13.4m mainly due to:

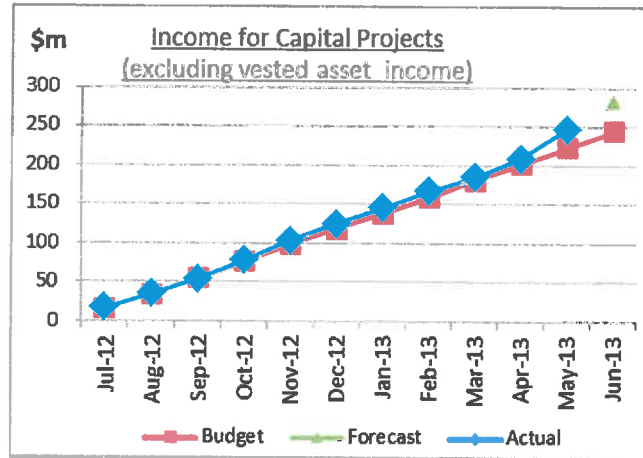
- \$7.8m favourable variance for derivatives mainly due to unrealised interest rate swap gain of \$9.2m partly offset by higher than forecast realised interest rate swap loss of \$1.4m
- \$9.8 favourable variance on professional services

Partly offset by:

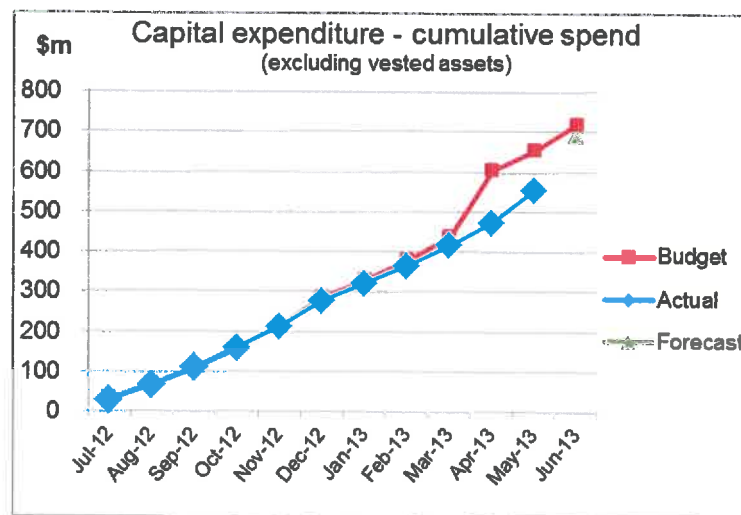
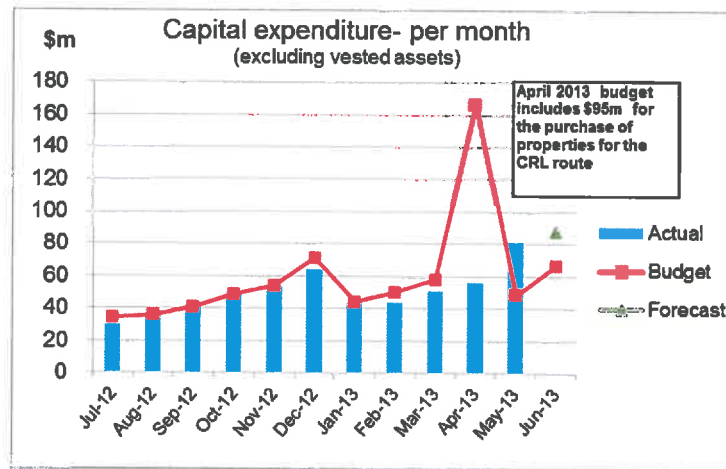
- \$3.0m higher than forecast depreciation and amortisation expense.

**Net surplus before tax year to date** is \$435.9m. This is \$16.2m favourable to forecast. The surplus includes vested asset income of \$414.4m which was not in the budget but is reflected in the forecast. Excluding the favourable variance for Income for capital projects of \$12.0m there is a favourable variance of \$4.3m. This \$4.3m variance includes a \$7.8m favourable variance from derivatives which are in place for capital programmes partly offset by \$3.0m higher than forecast depreciation and amortisation expense.

After allowing for these capital and non cash items the net operating result YTD is unfavourable by \$0.5m. Our review of the full year position, despite some positive and negative movements to forecast, indicate we will achieve a result in line with the funding provided. This will require continued diligence in managing both revenue and expenditure in June.



Income for capital projects year to date is higher than forecast by \$12.0m due to higher than forecast NZTA capital funding.



Capital expenditure, excluding vested assets, year to date was \$554.7m, which is \$46.8m lower than forecast due to less expenditure on new capital of \$39.4m, renewal capital of \$6.9m and EMU project \$0.5m.

The capital budget is separated into a number of funding pools which do not allow for underspend to be managed within the dynamic programming adopted by AT. The most significant item impacting this is the CRL project. The funding for this project comes from a specific council source and so has no dynamic programme impact.

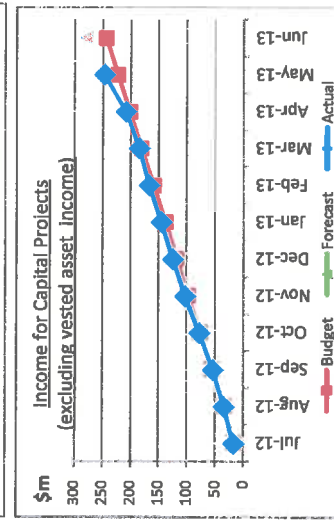
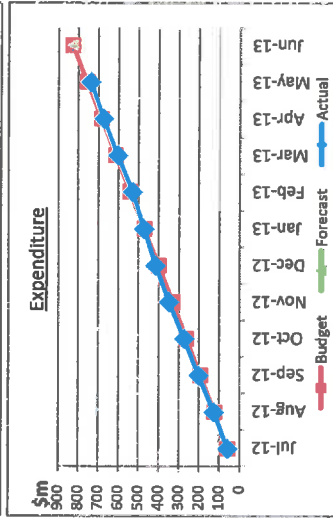
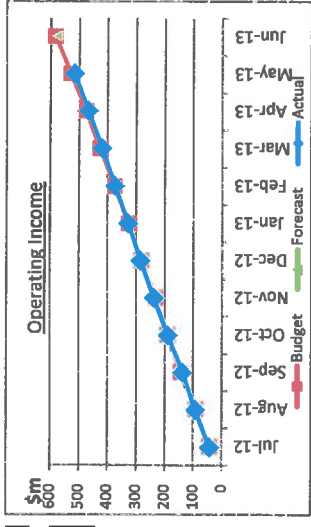
When considered in the context of the dynamic pool of funds, more works have been carried out due to more funding from NZTA than was budgeted. It is expected that the funds available for the dynamic programming pool will be underspent.

The **asset position** is sound with net assets of \$14.2 billion at the end of May and cash flow funding arrangements are in place to ensure all liabilities can be met.

## Section 2a - Statement of Financial Performance for the eleven months ended 31 May 2013

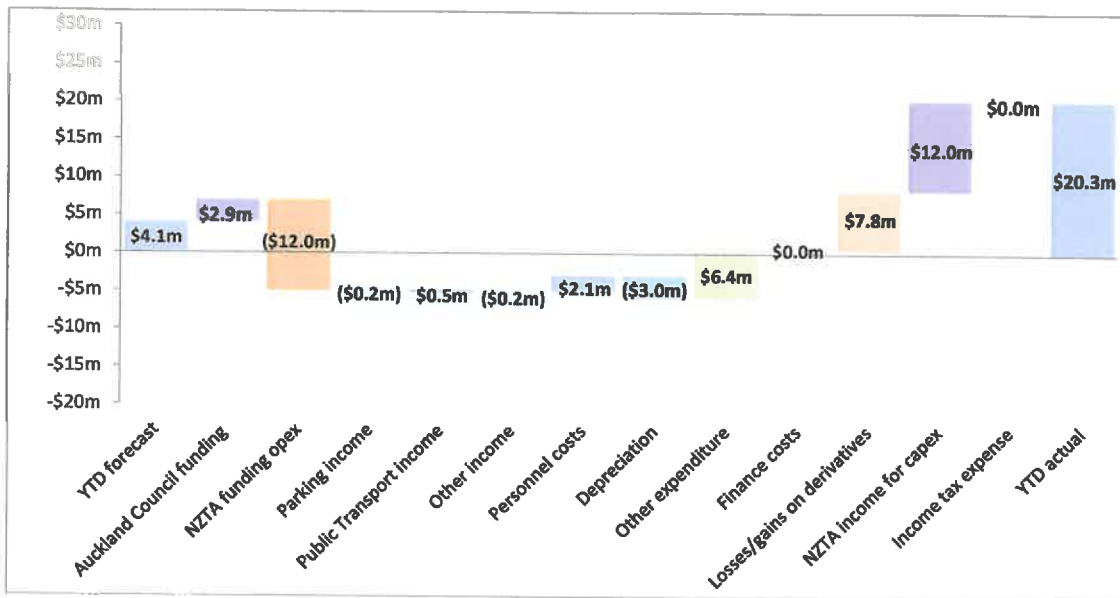
	Current month			Year to date			Full year			Results achieved
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	
<b>Income</b>										
<b>Operating Income</b>										
Auckland Council funding	18,569	21,486	(2,917)	204,263	201,346	2,917	222,832	215,347	7,485	●
NZ Transport Agency	16,876	16,585	291	179,399	191,431	(12,032)	209,723	209,075	648	●
Parking and enforcement income	7,135	7,176	(41)	85,622	86,629	(207)	72,766	79,946	(7,180)	●
Public transport income	4,842	4,068	774	43,099	42,651	448	48,452	53,180	(7,028)	●
Other revenue including other grants and subsidies	1,641	1,752	(111)	23,458	23,695	(237)	25,530	26,078	(548)	●
<b>Total operating income</b>	<b>49,063</b>	<b>51,067</b>	<b>(2,004)</b>	<b>515,841</b>	<b>524,952</b>	<b>(9,111)</b>	<b>577,003</b>	<b>583,626</b>	<b>(6,623)</b>	●
<b>Expenditure</b>										
Personnel costs	9,145	9,215	70	88,084	89,109	1,025	97,604	95,710	(1,894)	●
Capitalised personnel costs	(2,499)	(1,997)	502	(21,672)	(20,558)	1,114	(22,609)	(26,310)	(3,701)	●
Depreciation and amortisation expense	21,628	20,884	(744)	227,846	224,839	(3,007)	245,822	240,615	(5,207)	●
Other expenses	40,587	41,867	1,280	439,516	445,930	6,414	492,721	501,965	9,244	●
Finance costs (Electric Trains)	843	844	1	7,547	7,578	31	9,947	12,261	2,314	●
Losses/(gains) on derivatives	(4,469)	-	4,469	(1,144)	6,652	7,796	5,109	-	(5,109)	●
<b>Total operating expenditure</b>	<b>65,235</b>	<b>70,813</b>	<b>5,578</b>	<b>740,177</b>	<b>753,550</b>	<b>13,373</b>	<b>828,894</b>	<b>824,241</b>	<b>(4,353)</b>	●
<b>Profit/(loss) from Operations</b>	<b>(16,172)</b>	<b>(19,746)</b>	<b>3,574</b>	<b>(224,336)</b>	<b>(228,598)</b>	<b>4,262</b>	<b>(251,591)</b>	<b>(240,615)</b>	<b>(10,976)</b>	●
<b>Income for capital projects</b>										
NZ Transport Agency	28,157	19,401	8,756	132,132	120,180	11,952	155,290	119,076	36,214	●
Auckland Council capital grant	10,329	10,329	-	113,620	113,620	-	123,949	123,949	-	●
Other capital grants	-	-	-	10	10	-	10	-	10	●
Vested asset income	-	-	-	414,443	414,443	-	414,443	-	414,443	●
<b>Net surplus/(deficit) before tax</b>	<b>38,486</b>	<b>29,730</b>	<b>8,756</b>	<b>660,205</b>	<b>648,253</b>	<b>11,952</b>	<b>693,692</b>	<b>243,025</b>	<b>450,667</b>	●
Income tax expense	22,314	9,984	12,330	435,869	419,655	16,214	442,101	2,410	439,691	●
<b>Net surplus/(deficit) after tax</b>	<b>22,314</b>	<b>9,984</b>	<b>12,330</b>	<b>434,744</b>	<b>418,530</b>	<b>16,214</b>	<b>440,376</b>	<b>2,410</b>	<b>438,566</b>	●

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

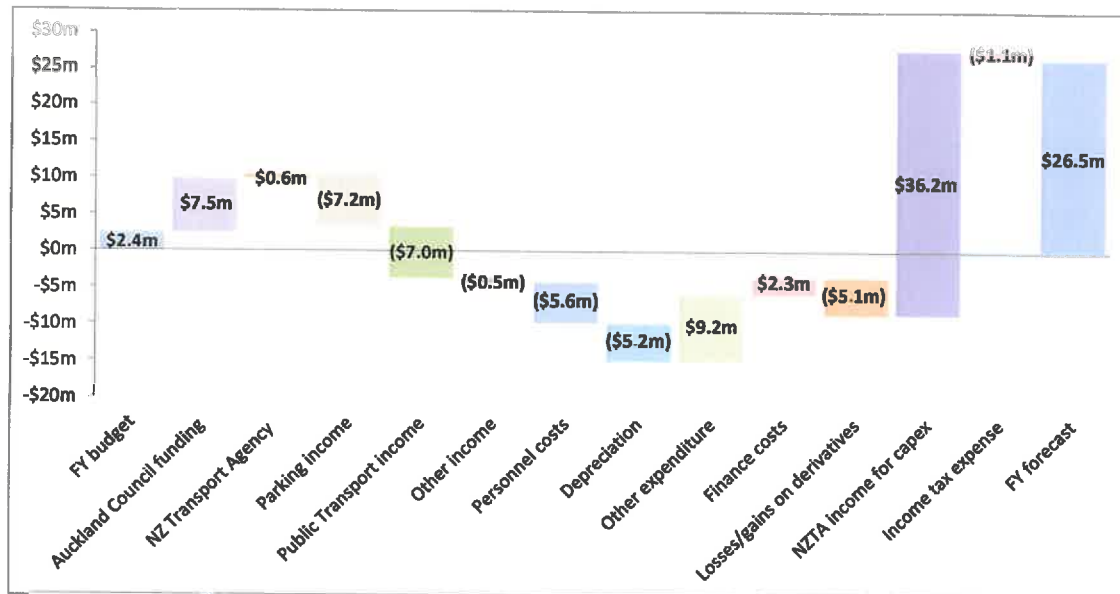


**Section 2b - Net surplus/(deficit) waterfall**

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



**Net surplus/(deficit) - Full year budget to forecast (excluding vested asset income)**



## Section 2c - Rail Operations for the eleven months ended 31 May 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2013 \$000	Budget 30 Jun 2013 \$000	Variance \$000
<b>Operating Income</b>									
Activity Income	2,886	2,582	304	24,586	24,802	(216)	26,945	33,882	(6,937)
Rental income	27	36	(9)	458	444	14	480	760	(280)
Other income	16	43	(27)	1,529	1,494	35	1,538	604	934
NZTA operating subsidy	4,930	4,078	852	45,852	47,391	(1,539)	57,488	58,443	(955)
NZTA operating subsidy - Electric Trains	599	584	15	5,181	5,160	21	5,743	7,234	(1,491)
<b>Total operating income</b>	<b>8,458</b>	<b>7,323</b>	<b>1,135</b>	<b>77,606</b>	<b>79,291</b>	<b>(1,685)</b>	<b>92,194</b>	<b>100,923</b>	<b>(8,729)</b>
<b>Operating Expenditure</b>									
Personnel costs	92	80	(12)	973	943	(30)	1,023	1,135	112
Capitalised personnel costs	(63)	(58)	5	(461)	(485)	(24)	(543)	-	543
Service delivery costs and professional services	8,415	7,177	(1,238)	84,677	84,109	(568)	95,288	102,339	7,051
Occupancy costs	406	311	(95)	3,401	3,324	(77)	3,638	4,652	1,014
On Track access charges	2,124	1,157	(967)	11,114	12,847	1,733	14,004	14,359	355
Other expenditure	344	351	7	3,955	3,885	(70)	4,239	4,104	(135)
<b>Total operating expenditure</b>	<b>11,318</b>	<b>9,018</b>	<b>(2,300)</b>	<b>103,659</b>	<b>104,623</b>	<b>964</b>	<b>117,649</b>	<b>126,589</b>	<b>8,940</b>
Depreciation	2,894	2,951	57	28,701	28,852	151	31,817	27,471	(4,346)
<b>Surplus/(deficit) from Operations</b>	<b>(5,754)</b>	<b>(4,646)</b>	<b>(1,108)</b>	<b>(54,754)</b>	<b>(54,184)</b>	<b>(570)</b>	<b>(57,272)</b>	<b>(53,137)</b>	<b>(4,135)</b>
<b>Internal support costs</b>									
Electric Trains and Depot operating costs	(3,642)	849	4,491	5,115	13,247	8,132	14,099	12,261	(1,838)
Other internal support	1,683	2,172	489	14,798	15,868	1,070	18,146	18,453	307
<b>Total internal support costs</b>	<b>(1,959)</b>	<b>3,021</b>	<b>4,980</b>	<b>19,913</b>	<b>29,115</b>	<b>9,202</b>	<b>32,245</b>	<b>30,714</b>	<b>(1,531)</b>
<b>Surplus/(deficit)</b>	<b>(3,795)</b>	<b>(7,667)</b>	<b>3,872</b>	<b>(74,667)</b>	<b>(83,299)</b>	<b>8,632</b>	<b>(89,517)</b>	<b>(83,851)</b>	<b>(5,686)</b>

### NZTA operating subsidy

Reduced NZTA subsidy due to lower than forecast operating expenditure combined with some NZTA subsidy that was forecast as operating but is actually renewals subsidy.

### Total operating expenditure

Operating costs year to date show a positive variance, the main contributor being reduced on track charges this year due to a \$1.2m over accrual of last year's charges recently being agreed with Kiwi Rail and released, offset with some unbudgeted maintenance and crash repair costs.



**Section 2c - Bus Operations for the eleven months ended 31 May 2013**

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2013 \$000	Budget 30 Jun 2013 \$000	Variance \$000
<b>Operating Income</b>									
Activity Income	921	911	10	9,428	9,251	177	10,037	10,184	(147)
Other income	17	11	6	571	552	19	563	124	439
NZTA operating subsidy	4,594	5,575	(981)	52,843	54,460	(1,617)	59,549	61,620	(2,071)
<b>Total operating income</b>	<b>5,532</b>	<b>6,497</b>	<b>(965)</b>	<b>62,842</b>	<b>64,263</b>	<b>(1,421)</b>	<b>70,149</b>	<b>71,928</b>	<b>(1,779)</b>
<b>Operating Expenditure</b>									
Personnel costs	144	45	(99)	833	508	(325)	553	454	(99)
Capitalised personnel costs	(89)	(30)	59	(325)	(119)	206	(149)	-	149
Service delivery costs and professional services	9,812	11,843	2,031	113,012	116,038	3,026	126,796	134,041	7,245
Occupancy costs	82	37	(45)	1,077	1,073	(4)	1,111	606	(505)
Other expenditure	59	37	(22)	378	365	(13)	401	832	431
<b>Total operating expenditure</b>	<b>10,008</b>	<b>11,932</b>	<b>1,924</b>	<b>114,975</b>	<b>117,865</b>	<b>2,890</b>	<b>128,712</b>	<b>135,933</b>	<b>7,221</b>
Depreciation	26	22	(4)	253	242	(11)	264	228	(36)
<b>Surplus/(deficit) from Operations</b>	<b>(4,502)</b>	<b>(5,457)</b>	<b>955</b>	<b>(52,386)</b>	<b>(53,844)</b>	<b>1,458</b>	<b>(58,827)</b>	<b>(64,233)</b>	<b>5,406</b>
Internal support costs	1,808	2,331	523	15,891	17,040	1,149	19,485	19,815	330
<b>Surplus/(deficit)</b>	<b>(6,310)</b>	<b>(7,788)</b>	<b>1,478</b>	<b>(68,277)</b>	<b>(70,884)</b>	<b>2,607</b>	<b>(78,312)</b>	<b>(84,048)</b>	<b>5,736</b>

**NZTA operating subsidy**

Reduced NZTA subsidy due to lower than forecast operating expenditure.

**Total operating expenditure**

Delays in implementing planned bus services resulting in approximately \$2.0m of cost savings combined with \$0.9m of bus contract costs forecast in May but delayed into June.

## Section 2c - Ferry Operations for the eleven months ended 31 May 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2013 \$000	Budget 30 Jun 2013 \$000	Variance \$000
<b>Operating Income</b>									
Operator access fees	324	222	102	2,800	2,603	197	2,823	3,934	(1,111)
Rental income	64	63	1	695	688	7	751	506	245
Activity Income	65	33	32	453	350	103	382	724	(342)
Other Income	11	-	11	31	2	29	2	19	(17)
NZTA operating subsidy	152	478	(326)	4,787	5,678	(891)	6,141	5,841	300
<b>Total operating income</b>	<b>616</b>	<b>796</b>	<b>(180)</b>	<b>8,766</b>	<b>9,321</b>	<b>(555)</b>	<b>10,099</b>	<b>11,024</b>	<b>(925)</b>
<b>Operating Expenditure</b>									
Personnel costs	33	20	(13)	315	273	(42)	293	328	35
Capitalised personnel costs	-	-	-	-	2	2	2	-	(2)
Service delivery costs and professional services	881	877	(4)	10,465	10,017	(448)	10,889	13,884	2,995
Occupancy costs	84	57	(27)	764	696	(68)	754	653	(101)
Other expenditure	70	132	62	1,669	1,659	(10)	1,792	1,345	(447)
<b>Total operating expenditure</b>	<b>1,068</b>	<b>1,086</b>	<b>18</b>	<b>13,213</b>	<b>12,647</b>	<b>(566)</b>	<b>13,730</b>	<b>16,210</b>	<b>2,480</b>
Depreciation	175	170	(5)	1,831	1,806	(25)	1,977	1,605	(372)
<b>Surplus/(deficit) from Operations</b>	<b>(627)</b>	<b>(460)</b>	<b>(167)</b>	<b>(6,278)</b>	<b>(5,132)</b>	<b>(1,146)</b>	<b>(5,608)</b>	<b>(6,791)</b>	<b>1,183</b>
Internal support costs	218	278	62	1,895	2,032	137	2,324	2,363	39
<b>Surplus/(deficit)</b>	<b>(843)</b>	<b>(738)</b>	<b>(105)</b>	<b>(8,173)</b>	<b>(7,164)</b>	<b>(1,009)</b>	<b>(7,932)</b>	<b>(9,154)</b>	<b>1,222</b>

### Total operating expenditure

Operating costs are ahead of year to date mainly due to higher than forecast spends on Downtown and Maitiatia wharves.

## Section 2c - Other Public Transport Operations for the eleven months ended 31 May 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2013 \$000	Budget 30 Jun 2013 \$000	Variance \$000
<b>Operating Income</b>									
Advertising & Sponsorships	368	-	368	1,491	1,279	212	1,279	1,394	(115)
Other Income	146	167	(21)	1,056	1,179	(123)	1,358	1,053	305
NZTA operating subsidy	1,748	4,202	(2,454)	30,322	36,321	(5,999)	37,320	33,846	3,474
<b>Total operating income</b>	<b>2,262</b>	<b>4,369</b>	<b>(2,107)</b>	<b>32,869</b>	<b>38,779</b>	<b>(5,910)</b>	<b>39,957</b>	<b>36,293</b>	<b>3,664</b>
<b>Operating Expenditure</b>									
Personnel costs	1,232	1,111	(121)	11,956	11,779	(177)	12,848	10,253	(2,595)
Capitalised personnel costs	106	(202)	(308)	(13)	(1,141)	(1,128)	(1,334)	(3,760)	(2,426)
Service delivery costs and professional services	2,883	4,324	1,441	30,250	34,739	4,489	38,856	35,690	(3,166)
IT costs	206	183	(23)	1,386	1,417	31	1,600	1,718	118
Occupancy costs	26	97	71	243	542	299	669	84	(585)
Other expenditure	986	763	(223)	9,251	8,867	(384)	9,580	9,600	20
<b>Total operating expenditure</b>	<b>5,439</b>	<b>6,276</b>	<b>837</b>	<b>53,073</b>	<b>56,203</b>	<b>3,130</b>	<b>62,219</b>	<b>53,585</b>	<b>(8,634)</b>
Depreciation	754	233	(521)	7,525	5,449	(2,076)	5,683	5,009	(674)
<b>Surplus/(deficit) from Operations</b>	<b>(3,931)</b>	<b>(2,140)</b>	<b>(1,791)</b>	<b>(27,729)</b>	<b>(22,873)</b>	<b>(4,856)</b>	<b>(27,945)</b>	<b>(22,301)</b>	<b>(5,644)</b>
Internal support costs	713	919	206	6,264	6,717	453	7,681	7,811	130
<b>Surplus/(deficit)</b>	<b>(4,644)</b>	<b>(3,059)</b>	<b>(1,585)</b>	<b>(33,993)</b>	<b>(29,590)</b>	<b>(4,403)</b>	<b>(35,626)</b>	<b>(30,112)</b>	<b>(5,514)</b>

### NZTA operating subsidy

NZTA revenue is down year to date this is due:

- the cost scope adjustment for AIFS opex and the additional subsidy has yet to be approved by NZTA, whereas in the forecast it was assumed it would have been approved by May and we could have claimed the additional subsidy;
- lower operating expenditure year to date resulting in reduced subsidy claimed.

### Total operating expenditure

AIFS operating expenditure is tracking \$1.9m behind forecast mainly in marketing costs and Thales operational contractor costs, some of which is scheduled to be made up in June when the first bus go live is scheduled. Also lower than forecast costs for customer information expenditure \$0.7m and PT operations professional services \$0.7m.

## Section 2c - Parking Operations for the eleven months ended 31 May 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2013 \$000	Budget 30 Jun 2013 \$000	Variance \$000
<b>Operating Income</b>									
Parking fees	3,371	3,272	99	32,257	32,097	160	35,173	48,202	(13,029)
<b>Total operating income</b>	<b>3,371</b>	<b>3,272</b>	<b>99</b>	<b>32,257</b>	<b>32,097</b>	<b>160</b>	<b>35,173</b>	<b>48,202</b>	<b>(13,029)</b>
<b>Operating Expenditure</b>									
Personnel costs	207	164	(43)	1,897	1,828	(69)	1,984	2,819	835
Capitalised personnel costs	(2)	(17)	(15)	(61)	(51)	10	(67)	(198)	(131)
Service delivery costs and professional services	309	380	71	2,106	2,922	816	3,223	4,675	1,452
Occupancy costs	494	406	(88)	5,636	5,401	(235)	5,786	5,048	(738)
Other expenditure	124	170	46	392	963	571	1,151	3,496	2,345
<b>Total operating expenditure</b>	<b>1,132</b>	<b>1,103</b>	<b>(29)</b>	<b>9,970</b>	<b>11,063</b>	<b>1,093</b>	<b>12,077</b>	<b>15,840</b>	<b>3,763</b>
Depreciation	577	567	(10)	5,583	5,276	(307)	5,845	6,493	648
<b>Surplus/(deficit) from Operations</b>	<b>1,662</b>	<b>1,602</b>	<b>60</b>	<b>16,704</b>	<b>15,758</b>	<b>946</b>	<b>17,251</b>	<b>25,869</b>	<b>(8,618)</b>
Internal support costs	211	272	61	1,852	1,986	134	2,271	2,309	38
<b>Surplus/(deficit)</b>	<b>1,451</b>	<b>1,330</b>	<b>121</b>	<b>14,852</b>	<b>13,772</b>	<b>1,080</b>	<b>14,980</b>	<b>23,560</b>	<b>(8,580)</b>

### Total operating expenditure

Year to date expenditure is \$1m favourable to forecast mainly due to reduced contractor costs as a result of delayed maintenance for at grade car parks. This variance will reduce by financial year end as more maintenance work is expected to be completed in June.

## Section 2c - Enforcement Operations for the eleven months ended 31 May 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2013 \$000	Budget 30 Jun 2013 \$000	Variance \$000
<b>Operating Income</b>									
Infringement income	3,765	3,904	(139)	33,366	33,732	(366)	37,593	31,744	5,849
<b>Total operating income</b>	<b>3,765</b>	<b>3,904</b>	<b>(139)</b>	<b>33,366</b>	<b>33,732</b>	<b>(366)</b>	<b>37,593</b>	<b>31,744</b>	<b>5,849</b>
<b>Operating Expenditure</b>									
Personnel costs	1,050	1,001	(49)	10,573	10,573	-	11,569	12,615	1,046
Capitalised personnel costs	(9)	-	9	(146)	(124)	22	(124)	-	124
Service delivery costs and professional services	172	152	(20)	1,393	1,440	47	1,589	1,568	(21)
Other expenditure	610	795	185	6,543	7,441	898	8,381	9,044	663
<b>Total operating expenditure</b>	<b>1,823</b>	<b>1,948</b>	<b>125</b>	<b>18,363</b>	<b>19,330</b>	<b>967</b>	<b>21,415</b>	<b>23,227</b>	<b>1,812</b>
Depreciation	16	14	(2)	1,000	976	(24)	990	1,100	110
<b>Surplus/(deficit) from Operations</b>	<b>1,926</b>	<b>1,942</b>	<b>(16)</b>	<b>14,003</b>	<b>13,426</b>	<b>577</b>	<b>15,188</b>	<b>7,417</b>	<b>7,771</b>
Internal support costs	309	398	89	2,715	2,912	197	3,329	3,386	57
<b>Surplus/(deficit)</b>	<b>1,617</b>	<b>1,544</b>	<b>73</b>	<b>11,288</b>	<b>10,514</b>	<b>774</b>	<b>11,859</b>	<b>4,031</b>	<b>7,828</b>

### Total operating income

Revenue is \$0.4m below forecast mainly due to lower than expected court lodgement recoveries resulting from the introduction of the Baycorp initiative.

### Total operating expenditure

Cost savings of \$1m are mainly due to lower commissions and court lodgement fees.

## Section 2c - Roading and Footpaths Operations for the eleven months ended 31 May 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2013 \$000	Budget 30 Jun 2013 \$000	Variance \$000
<b>Operating Income</b>									
Petrol tax	745	740	5	7,551	7,986	(435)	8,726	8,677	49
Other income	354	496	(142)	6,335	6,522	(187)	7,030	2,795	4,235
NZTA operating subsidy	3,712	820	2,892	32,300	32,938	(638)	33,143	32,396	747
<b>Total operating income</b>	<b>4,811</b>	<b>2,056</b>	<b>2,755</b>	<b>46,186</b>	<b>47,446</b>	<b>(1,260)</b>	<b>48,899</b>	<b>43,868</b>	<b>5,031</b>
<b>Operating Expenditure</b>									
Personnel costs	1,506	1,695	189	14,890	15,622	732	17,232	14,676	(2,556)
Capitalised personnel costs	(464)	(46)	418	(3,378)	(2,197)	1,181	(2,240)	(5,063)	(2,823)
Service delivery costs and professional services	6,022	9,320	3,298	95,875	100,760	4,885	111,051	102,989	(8,062)
Occupancy costs	1,277	1,005	(272)	12,092	11,625	(467)	12,688	14,075	1,387
IT costs	24	28	4	536	591	55	620	124	(496)
Other expenditure	324	373	49	3,164	3,329	165	3,706	1,879	(1,827)
Efficiency target	-	(4,000)	(4,000)	-	(12,000)	(12,000)	(16,000)	(16,000)	-
(Profit)/loss on disposal of assets	-	-	-	1,212	1,232	20	1,232	-	(1,232)
<b>Total operating expenditure</b>	<b>8,689</b>	<b>8,375</b>	<b>(314)</b>	<b>124,391</b>	<b>118,962</b>	<b>(5,429)</b>	<b>128,289</b>	<b>112,680</b>	<b>(15,609)</b>
Depreciation	16,841	16,603	(238)	179,376	178,776	(600)	195,458	191,150	(4,308)
<b>Surplus/(deficit) from Operations</b>	<b>(20,719)</b>	<b>(22,922)</b>	<b>2,203</b>	<b>(257,581)</b>	<b>(250,292)</b>	<b>(7,289)</b>	<b>(274,848)</b>	<b>(259,962)</b>	<b>(14,886)</b>
Internal support costs	1,498	1,932	434	13,172	14,125	953	16,152	16,426	274
<b>Surplus/(deficit)</b>	<b>(22,217)</b>	<b>(24,854)</b>	<b>2,637</b>	<b>(270,753)</b>	<b>(264,417)</b>	<b>(6,336)</b>	<b>(291,000)</b>	<b>(276,388)</b>	<b>(14,612)</b>

### Capitalised personnel costs

The \$1.2m favourable variance to date is mainly in the Road Corridor Operations area and is due to a reduction in the use of external consultants and an increase in internal recoveries for employees.

### Service delivery costs and professional services

The \$4.9m favourable variance is due to a reduction in operational spend in Road Corridor Maintenance to support the unfunded streetscapes work and also reflects a reduction in professional services.

## Section 2c - Internal support for the eleven months ended 31 May 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2013 \$000	Budget 30 Jun 2013 \$000	Variance \$000
<b>Operating Income</b>									
Other income	543	518	25	9,570	9,188	382	9,774	14,606	(4,832)
NZTA operating subsidy	1,141	847	294	8,115	9,484	(1,369)	10,339	9,694	645
<b>Total operating income</b>	<b>1,684</b>	<b>1,365</b>	<b>319</b>	<b>17,685</b>	<b>18,672</b>	<b>(987)</b>	<b>20,113</b>	<b>24,300</b>	<b>(4,187)</b>
<b>Operating Expenditure</b>									
Personnel costs	4,881	5,098	217	46,644	47,582	938	52,102	53,430	1,328
Capitalised personnel costs	(1,975)	(1,646)	329	(17,288)	(16,443)	845	(18,154)	(17,289)	865
Directors Fees	43	33	(10)	438	398	(40)	430	392	(38)
Service delivery costs and professional services	2,633	3,942	1,309	21,075	25,612	4,537	30,878	23,914	(6,964)
Other expenditure	2,178	1,917	(261)	17,885	17,373	(312)	19,091	32,053	12,962
Finance costs (Electric Trains)	843	844	1	7,546	7,578	32	8,425	12,261	3,836
Losses/(gains) on derivatives	(4,469)	-	4,469	(1,892)	5,904	7,796	5,904	-	(5,904)
Efficiency target	-	2	2	-	8	8	10	(5,196)	(5,206)
(Profit)/loss on disposal of assets	-	-	-	477	-	(477)	-	-	-
<b>Total operating expenditure</b>	<b>4,134</b>	<b>10,190</b>	<b>6,056</b>	<b>74,685</b>	<b>88,012</b>	<b>13,327</b>	<b>98,686</b>	<b>99,565</b>	<b>879</b>
Depreciation	345	324	(21)	3,577	3,462	(115)	3,788	7,559	3,771
Taxation	-	-	-	1,125	1,125	-	1,125	-	(1,125)
<b>Surplus/(deficit) before allocation of costs</b>	<b>(2,795)</b>	<b>(9,149)</b>	<b>6,354</b>	<b>(61,702)</b>	<b>(73,927)</b>	<b>12,225</b>	<b>(83,486)</b>	<b>(82,824)</b>	<b>(662)</b>
<b>Allocation of internal support costs</b>									
Electric Trains and Depot operating costs	3,642	(849)	(4,491)	(5,115)	(13,247)	(8,132)	(14,099)	(12,261)	1,838
Other internal support	(6,437)	(8,300)	(1,863)	(56,587)	(60,680)	(4,093)	(69,367)	(70,563)	(1,176)
<b>Total internal support allocation</b>	<b>(2,795)</b>	<b>(9,149)</b>	<b>(6,354)</b>	<b>(61,702)</b>	<b>(73,927)</b>	<b>(12,225)</b>	<b>(83,486)</b>	<b>(82,824)</b>	<b>662</b>
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Total operating income

NZTA Subsidies are lower than forecast due to lower than forecast expenditure in Strategy & Planning and Communications.

### Total operating expenditure

Personnel Costs are favourable to forecast due to a delay in filling vacancies in IT, these vacancies were covered using professional services budget but have now mostly been filled. Capitalised personnel costs are favourable due to capturing higher than forecast labour recoveries against capital projects.

Service delivery cost and professional services are favourable mainly due to lower than forecast professional fees for Strategy & Planning and Asset Management projects.

Derivatives are favourable due to unrealised gain on interest rate swaps of \$9.2m partly offset by unforecast realised loss on close out of swap of \$1.4m.

**Section 2c - Summary of financial results by activity for the eleven months ended 31 May 2013**

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2013 \$000	Budget 30 Jun 2013 \$000	Variance \$000
Rail	(3,795)	(7,667)	3,872	(74,667)	(83,299)	8,632	(89,517)	(83,851)	(5,666)
Bus	(6,310)	(7,788)	1,478	(68,277)	(70,884)	2,607	(78,312)	(84,048)	5,736
Ferry	(843)	(738)	(105)	(8,173)	(7,164)	(1,009)	(7,932)	(9,154)	1,222
Other Public Transport	(4,644)	(3,059)	(1,585)	(33,993)	(29,590)	(4,403)	(35,626)	(30,112)	(5,514)
Roading	(22,217)	(24,854)	2,637	(270,753)	(264,417)	(6,336)	(291,000)	(276,388)	(14,612)
Parking	1,451	1,330	121	14,852	13,772	1,080	14,980	23,560	(8,580)
Enforcement	1,617	1,544	73	11,288	10,514	774	11,859	4,031	7,828
Internal support	-	-	-	-	-	-	-	-	-
Auckland Council operating funding	18,569	21,486	(2,917)	204,263	201,346	2,917	222,832	215,347	7,485
Income for capital projects	38,486	29,730	8,756	660,204	648,252	11,952	693,692	243,025	450,667
<b>Net surplus/(deficit) after tax</b>	<b>22,314</b>	<b>9,984</b>	<b>12,330</b>	<b>434,744</b>	<b>418,530</b>	<b>16,214</b>	<b>440,976</b>	<b>2,410</b>	<b>438,566</b>



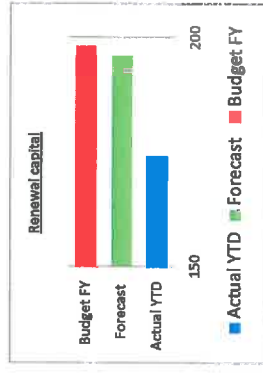
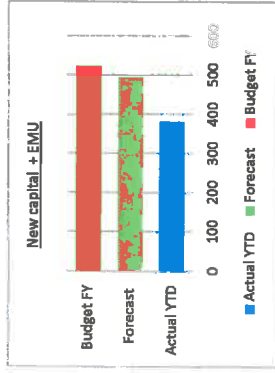
### Section 3a - Summary of Capital Expenditure for the eleven months ended 31 May 2013

Split by activity

Note	Current month				Year to date				Full Year	
	Actual \$'000	Forecast \$'000	Variance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Results Achieved	Forecast \$'000	Budget \$'000	Variance \$'000
<b>New capital expenditure</b>	<b>54,341</b>	<b>48,684</b>	<b>(7,677)</b>	<b>299,193</b>	<b>338,675</b>	<b>39,482</b>		<b>398,061</b>	<b>425,324</b>	<b>27,263</b>
Parking operations	82	1,157	1,075	2,031	3,590	1,559	●	3,695	4,814	1,119
Public transport	22,568	15,247	(7,321)	91,151	112,359	21,208	●	129,892	165,293	35,401
Roads	31,056	29,816	(1,240)	202,103	218,174	16,071	●	258,930	248,110	(10,820)
Other	635	444	(191)	3,908	4,552	644	●	5,544	7,107	1,563
<b>Total new capital</b>	<b>54,341</b>	<b>48,684</b>	<b>(7,677)</b>	<b>299,193</b>	<b>338,675</b>	<b>39,482</b>		<b>398,061</b>	<b>425,324</b>	<b>27,263</b>
<b>Renewal capital expenditure</b>										
Parking operations	308	500	194	721	1,499	778	●	4,626	8,225	1,599
Public transport	2,868	2,400	(468)	5,902	7,300	1,398	●	11,328	10,223	(1,105)
Roads	13,648	11,249	(2,399)	187,275	171,984	4,689	●	180,137	181,662	1,525
Other	-	-	-	-	-	-	●	-	-	-
<b>Total renewal</b>	<b>16,822</b>	<b>14,149</b>	<b>(2,673)</b>	<b>173,898</b>	<b>180,783</b>	<b>6,885</b>		<b>196,091</b>	<b>198,110</b>	<b>2,019</b>
<b>Electric motor units (EMUs)</b>										
Procurement	1,427	612	(815)	30,608	38,863	8,255	●	43,829	44,080	251
Depot	8,442	3,413	(5,029)	50,949	43,171	(7,778)	●	51,110	52,263	1,153
<b>Total EMUs</b>	<b>9,869</b>	<b>4,025</b>	<b>(5,844)</b>	<b>81,557</b>	<b>82,034</b>	<b>477</b>		<b>94,939</b>	<b>96,343</b>	<b>1,404</b>
<b>Total direct capital</b>	<b>81,032</b>	<b>64,838</b>	<b>(16,194)</b>	<b>554,648</b>	<b>601,472</b>	<b>46,824</b>		<b>689,091</b>	<b>719,777</b>	<b>30,686</b>
Vested assets	-	-	-	414,443	414,443	-		414,443	-	(414,443)
<b>Total capital</b>	<b>81,032</b>	<b>64,838</b>	<b>(16,194)</b>	<b>969,091</b>	<b>1,015,915</b>	<b>46,824</b>		<b>1,103,534</b>	<b>719,777</b>	<b>(383,757)</b>

Notes: (Year to date)

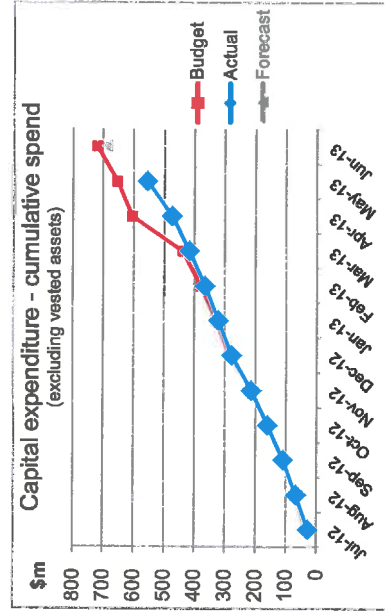
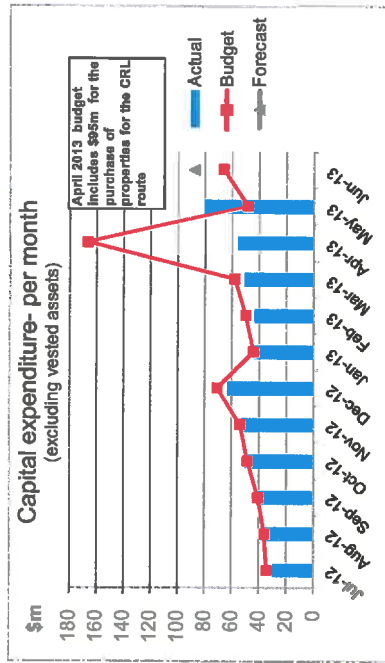
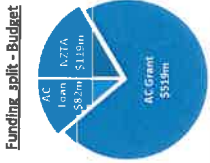
- \$1.6m favourable variance in parking is mainly due to the final payment delayed due to issues with the compliance reports for carpark equipment project. Block work spend for Victoria and Downtown carpark have been delayed since assessment report have not been finalised. Carryforward applications have been prepared for the above projects.
- \$21.2m favourable variance in public transport is mainly due to City Rail Link (\$10.1m is the result of a delay in property purchases), AIFS (\$2.7m, delay), Rail improvements (\$2.2m, delays).
- \$16.1m favourable variance in roads is mainly due to Walking & Cycling (\$4.4m, delays on agreeing programme); AMETI (\$3.8m, due to construction delay (\$5.4m) underspend in investigation & design (\$2.1m) partly offset by acceleration of property purchases (\$3.7m); NORSGA (\$2.2m, construction delay); Pavement rehabilitation (\$1.7m, this will be delivered by June 2013).
- \$0.6m favourable variance in others is mainly due to the delays in the Asset Management Project.
- \$0.8m favourable variance in parking renewals due to spandrel works in the Downtown carpark building to be completed in May now delayed to July.
- \$1.4m favourable variance in public transport renewal is mainly due to \$1.0m underspend on rolling stock renewals, \$0.4m underspend on Wharf.
- \$4.7m Road renewals under forecast relates mainly to expenditure in the Central and South areas for pavement rehabilitation works, as priority was given to Reconstruction projects. However, all rehabilitation projects will be delivered by June 2013.
- \$0.5m underspend in EMU is due to reschedule of manufacturing payment (no effect on overall programme) offset by acceleration of construction costs on depot.



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

### Section 3b - Capital Expenditure Funding for the eleven months ended 31 May 2013

Funding	Current month			Year to date			Full Year		
	Actual \$'000	Forecast \$'000	Variance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000
NZTA - new capital	28,089	18,763	9,326	82,925	74,514	8,411	109,120	89,875	19,245
NZTA - renewal capital	68	638	(570)	49,207	45,666	3,541	48,170	28,201	16,969
Other grants and subsidies	-	-	-	10	10	-	10	-	10
Auckland Council funding (Non EMU)	43,006	41,412	1,594	340,949	399,248	(58,299)	438,852	519,011	(80,159)
Auckland Council loan (EMU)	9,868	4,025	5,844	81,557	82,034	(477)	94,939	81,690	13,249
Vested assets	-	-	-	414,443	414,443	-	414,443	-	414,443
<b>Total funding</b>	<b>81,032</b>	<b>64,838</b>	<b>16,194</b>	<b>989,091</b>	<b>1,016,915</b>	<b>(46,824)</b>	<b>1,103,534</b>	<b>719,777</b>	<b>383,757</b>



**Section 4a - Statement of Financial Position  
As at 31 May 2013**

	Note	Actual 31 May 2013 \$000	Actual 30 April 2013 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	12,888	21,614
Trade and other receivables	2	132,616	120,849
Inventories		4,730	4,922
Other assets		4,833	8,764
<b>Total current assets</b>		<b>155,067</b>	<b>156,149</b>
<b>Non-current assets</b>			
Property, plant and equipment - assets		13,705,177	13,693,839
Property, plant and equipment - work-in-progress		578,368	533,439
Intangible assets		68,550	65,356
Amounts due from related parties		46,000	46,000
Other non-current assets		28,456	28,456
<b>Total non-current assets</b>		<b>14,426,551</b>	<b>14,367,090</b>
<b>Total assets</b>		<b>14,581,618</b>	<b>14,523,239</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	3	10,293	15,119
Trade and other payables	4	149,878	133,368
Employee benefit liabilities	5	8,264	10,476
Borrowings	6	1,068	1,063
<b>Total current liabilities</b>		<b>169,503</b>	<b>160,026</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	3	44,010	60,628
Employee benefit liabilities	5	851	900
Borrowings	6	199,331	199,382
Deferred tax liability	7	12,145	12,145
<b>Total non-current liabilities</b>		<b>256,337</b>	<b>273,055</b>
<b>Total liabilities</b>		<b>425,840</b>	<b>433,081</b>
<b>Net assets</b>		<b>14,155,778</b>	<b>14,090,158</b>
<b>Equity</b>			
Contributed equity		12,754,793	12,728,037
Retained earnings/(losses)		283,936	261,618
Reserves		1,117,049	1,100,503
<b>Total equity</b>		<b>14,155,778</b>	<b>14,090,158</b>

**Section 4b - Notes to the Financial Statements  
As at 31 May 2013**

	Actual 31 May 2013 \$000	Actual 30 April 2013 \$000
<b>1 Cash and cash equivalents</b>		
Cash at bank - Trading	7,664	6,419
Cash at bank - AIFS	1,575	1,422
Till floats	191	191
Cash investment with Auckland Council	3,458	13,582
<b>Total cash and cash equivalents</b>	<b>12,888</b>	<b>21,614</b>

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

Auckland Transport operates a restricted bank account for Auckland Integrated Fares System (AIFS). This account is used for the deposit of unused stored value on AT HOP cards and is therefore considered restricted funds. This account does not form part of the assets or liabilities of Auckland Transport (see also note 4).

**2 Trade and other receivables**

Trade debtors	3,395	2,766
Infringements receivable	15,403	15,300
Amounts due from related parties	65,165	72,801
Accrued income	47,952	23,528
Goods and services tax	1,980	7,199
	<b>133,895</b>	<b>121,594</b>
Less provision for impairment of receivables	(1,279)	(745)
<b>Total trade and other receivables</b>	<b>132,616</b>	<b>120,849</b>

The carrying value of debtors and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables as there are a large number of customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

The ageing profile of receivables at 31 May 2013 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	114,280	-	114,280
Past due 1 - 30 days	2,205	-	2,205
Past due 31 - 60 days	2,124	-	2,124
Past due 61 - 90 days	1,287	-	1,287
Past due > 90 days	13,999	(1,279)	12,720
	<b>133,895</b>	<b>(1,279)</b>	<b>132,616</b>

All receivables greater than 30 days in age are considered to be past due.

The provision for impairment of receivables has been calculated on an individual basis. The provision is based on a review of significant debtor balances. Receivables are assessed as impaired due to significant financial difficulties being experienced by the debtor, and Auckland Transport management concluding that it is remote that the overdue amounts will be recovered.

Movements in the provision for impairment of receivables are as follows:

	Actual \$000
At 1 July 2012	792
Additional provisions made	502
Provisions reversed	(15)
Receivables written-off	-
<b>At 31 May 2013</b>	<b>1,279</b>

## Section 4b - Notes to the Financial Statements As at 31 May 2013

	Actual 31 May 2013	Actual 30 April 2013
	\$000	\$000

### 3 Derivative financial instruments

#### Current liability portion

Forward foreign exchange contracts - cash flow hedges	10,036	14,833
Forward foreign exchange contracts - not hedge accounted	257	286
<b>Current derivative financial instruments</b>	<b>10,293</b>	<b>15,119</b>

#### Non-current liability portion

Interest rate swaps - cash flow hedges	24,819	29,259
Forward foreign exchange contracts - cash flow hedges	19,191	31,369
<b>Non-current derivative financial instruments</b>	<b>44,010</b>	<b>60,628</b>

#### Forward foreign exchange contracts

The fair values of forward foreign exchange contracts have been determined using a discounted cash flows valuation technique based on quoted market prices. The inputs into the valuation model are from independently sourced market parameters such as currency rates. Most market parameters are implied from forward foreign exchange contract prices.

#### *Forward foreign exchange contracts - not hedge accounted*

The notional principal amount of outstanding forward foreign exchange contracts that were not hedge accounted was NZD \$864k. The foreign currency principal amount was EUR 375k. The loss on their revaluation of \$257k has been recorded in the Statement of Financial Performance.

#### *Forward foreign exchange contracts - hedge accounted*

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$338m. The foreign currency principal amount was USD \$241m. These cash flow hedges have been accounted for as effective and the loss of \$29m on their revaluation has been transferred to the cash flow hedge reserve within equity.

#### Interest rate swaps

The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

The notional principal amount of the outstanding interest rate swap contracts was \$377m. At 31 May 2013 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.02% to 5.4%.

### 4 Trade and other payables

Creditors	23,985	13,967
Accrued expenses	102,855	96,467
Retentions	7,224	7,003
Amounts due to related parties	12,819	12,980
Income in advance	1,420	1,529
AIFS Hop Card unsecured obligation	1,575	1,422
	<b>149,878</b>	<b>133,368</b>

Creditors and other payables are non-interest bearing and are normally settled on 20-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

The AIFS Hop Card unsecured obligation represents card holder deposits held in trust in a separate bank account for the benefit of the holders. Accordingly, the balance does not form part of the assets or liabilities of Auckland Transport (See note 1).

**Section 4b - Notes to the Financial Statements  
As at 31 May 2013**

	Actual 31 May 2013 \$000	Actual 30 April 2013 \$000
<b>5 Employee benefit liabilities</b>		
<b>Current portion</b>		
Accrued salaries and wages	1,736	4,192
Accrued leave	6,528	6,284
<b>Current employee benefit liabilities</b>	<b>8,264</b>	<b>10,476</b>
<b>Non-current portion</b>		
Retirement gratuities	383	383
Long service leave	468	517
<b>Non-current employee benefit liabilities</b>	<b>851</b>	<b>900</b>

**6 Borrowings**

<b>Current portion</b>		
Loans from Auckland Council	1,068	1,063
<b>Current borrowings</b>	<b>1,068</b>	<b>1,063</b>
<b>Non-current portion</b>		
Loans from Auckland Council	198,687	198,797
Finance Leases	644	585
<b>Non-current borrowings</b>	<b>199,331</b>	<b>199,382</b>
Weighted average cost of funds on total borrowings	5.38%	5.37%

Auckland Transport's loan debt of \$199,755,157 is issued at fixed rates of interest ranging from 4.20% to 6.06%. The interest rate on finance leases is 3%.

**7 Deferred tax liability**

				Actual 31 May 2013
	Property, plant and equipment	Other provisions	Tax losses	Total
<b>Deferred tax liability</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Balance at 1 July 2012	(11,020)	-	-	(11,020)
Charged to profit and loss	(1,125)	-	-	(1,125)
Charged to equity	-	-	-	-
<b>Balance at 31 May 2013</b>	<b>(12,145)</b>	<b>-</b>	<b>-</b>	<b>(12,145)</b>

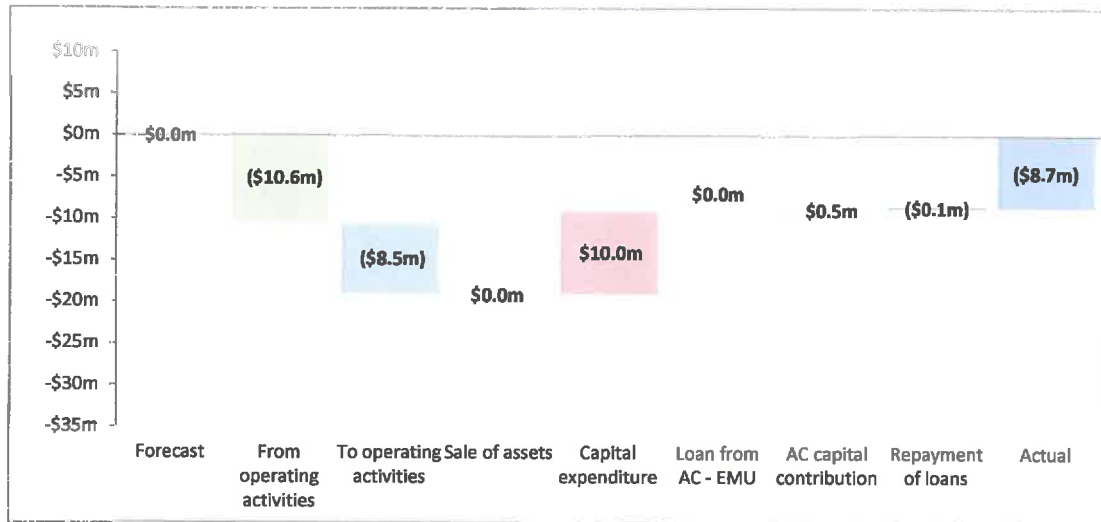
## Section 5a - Cash Flow Rolling Forecast as at 31 May 2013

	Current month		Forecast Jun 2013
	Actual	Forecast	\$000
	\$000	\$000	\$000
<b>Cash flows from operating activities</b>			
Total cash provided	70,194	80,797	64,923
<b>Cash applied to:</b>			
Payments to suppliers, employees and directors	54,926	46,198	51,138
Interest paid	619	844	847
<b>Total cash applied</b>	<b>55,545</b>	<b>47,042</b>	<b>51,985</b>
<b>Net cash from operating activities</b>	<b>14,649</b>	<b>33,755</b>	<b>45,439</b>
<b>Cash flows from investing activities</b>			
<b>Cash provided from:</b>			
Sale of property, plant and equipment	26	-	-
<b>Total cash provided</b>	<b>26</b>	<b>-</b>	<b>-</b>
<b>Cash applied to:</b>			
Capital expenditure projects	54,856	64,837	87,618
<b>Total cash applied</b>	<b>54,856</b>	<b>64,837</b>	<b>87,618</b>
<b>Net cash from investing activities</b>	<b>(54,830)</b>	<b>(64,837)</b>	<b>(87,618)</b>
<b>Cash flows from financing activities</b>			
<b>Cash provided from:</b>			
Loan from Auckland Council - EMU	-	-	12,906
Capital contribution from Auckland Council	31,577	31,082	29,273
<b>Total cash provided</b>	<b>31,577</b>	<b>31,082</b>	<b>42,179</b>
<b>Cash applied to:</b>			
Repayments of EMU loan from Auckland Council	106	-	-
Repayments of finance lease principal	18	-	-
<b>Total cash provided</b>	<b>124</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>31,453</b>	<b>31,082</b>	<b>42,179</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(8,728)</b>	<b>-</b>	<b>-</b>
Opening cash balance	21,616	-	-
<b>Closing cash balance</b>	<b>12,888</b>	<b>-</b>	<b>-</b>

	Current month
<b>Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities</b>	
Surplus/(deficit) after tax	\$000 22,314
<b>Add/(less) non cash items</b>	
Vested asset	-
Depreciation and amortisation	21,628
Loss in fair value of derivatives	(4,488)
Loss on disposal of asset	-
Write off of fixed assets	-
	<u>17,160</u>
<b>Add/(less) movements in working capital</b>	
Decrease/(Increase) in trade and other receivables	(13,087)
Decrease/(Increase) in inventories	192
(Decrease)/Increase in accounts payable and accruals	(9,561)
(Decrease)/Increase in employee benefits payable	(2,261)
(Decrease)/Increase in other liabilities	(108)
	<u>(24,825)</u>
<b>Net cash flow from operating activities</b>	<b>14,649</b>

**Section 5b - Cash flow**

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





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

### Accounts Receivable

An overview of the Debtors as at 31 May has 92.8% of adjusted Debtors in 30 and 60 days.

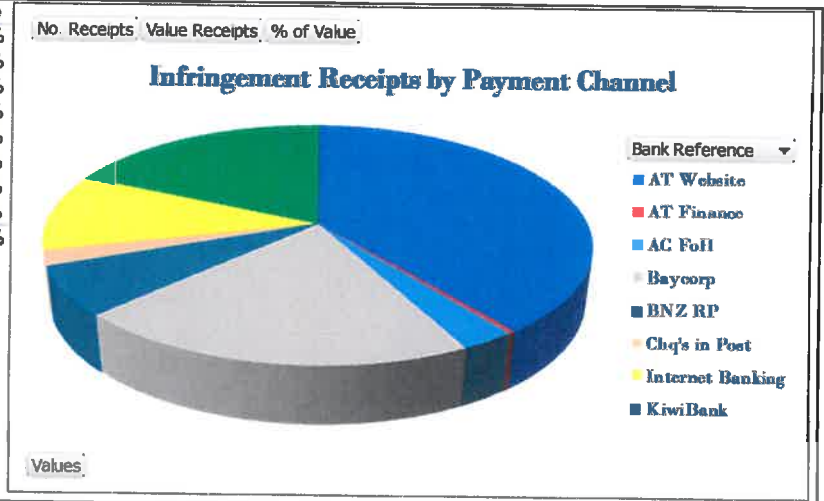
#### Debtors Ageing Analysis as at 31 May 2013

<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
<b>Debtors Ageing 31 May</b>	<b>145</b>	<b>4,493,218</b>	<b>1,999,471</b>	<b>214,284</b>	<b>693,549</b>	<b>72,512</b>	<b>1,513,403</b>	
		100.0%	44.5%	4.8%	15.4%	1.6%	33.7%	
O/s Related Parties	na	1,098,118	962,073	45,345	230	17,311	73,159	1
<b>Trade Debtors</b>	<b>88</b>	<b>3,395,100</b>	<b>1,037,397</b>	<b>168,939</b>	<b>693,319</b>	<b>55,201</b>	<b>1,440,244</b>	
		100.0%	30.6%	5.0%	20.4%	1.6%	42.4%	
Debtors Paid to AC	201	767	0	0	0	0	767	2
Queried Invoices	226	274,258	25,122	32,309	32,990	35,237	148,599	3
Cell Sites - Property	426	1,693,270	0	0	447,548	0	1,245,722	4
To Baycorp (Collection)	427	14,121	0	0	0	156	13,965	5
Payment Arrangement	49	3,184	3,173	0	11	0	0	6
Lodged Courts (Damages)	100	96,812	47,368	5,317	3,090	15,887	25,150	7
<b><u>Adjusted Debtors</u></b>	<b><u>N/a</u></b>	<b><u>1,312,690</u></b>	<b><u>961,735</u></b>	<b><u>131,312</u></b>	<b><u>209,681</u></b>	<b><u>3,921</u></b>	<b><u>6,041</u></b>	
		100.0%	73.3%	10.0%	16.0%	0.3%	0.5%	

- 1 - This section relates to amounts owed by related parties (inter-company).
- 2 - This is a debtor who paid AC in error. We are working with AC to rectify this problem.
- 3 - A number of invoices have been queried by customers and we are working with them and the relevant Departments in an effort to resolve these queries. The bulk of the outstanding amount is made up of two groups with a number of invoices totalling \$190k. Finance are in constant contact with the business in an effort to resolve these queries.
- 4 - Property are currently working to resolve on-going issues around outstanding amounts relating to rental of cell sites. An amount of \$788,791 was impaired at 30 June as they were considered doubtful. This has been revised to \$1.279m. An additional \$414k of unpaid invoices have been included here as they remain unpaid while the issue of whether AT can recover rentals of cell sites at all is resolved. This matter is receiving urgent attention by Property.
- 5 - These are amounts which may be written off in the future. All amounts written off are approved by the CFO in accordance with accepted practice. A number of Debtors have been handed over to Baycorp for collection.
- 6 - Slow payers with payment arrangements.
- 7 - Lodged at Court relates to matters where AT is recovering damages from road accidents investigated by the Police. Many of the matters are being paid off at a nominal amount per week as instructed by the Courts.

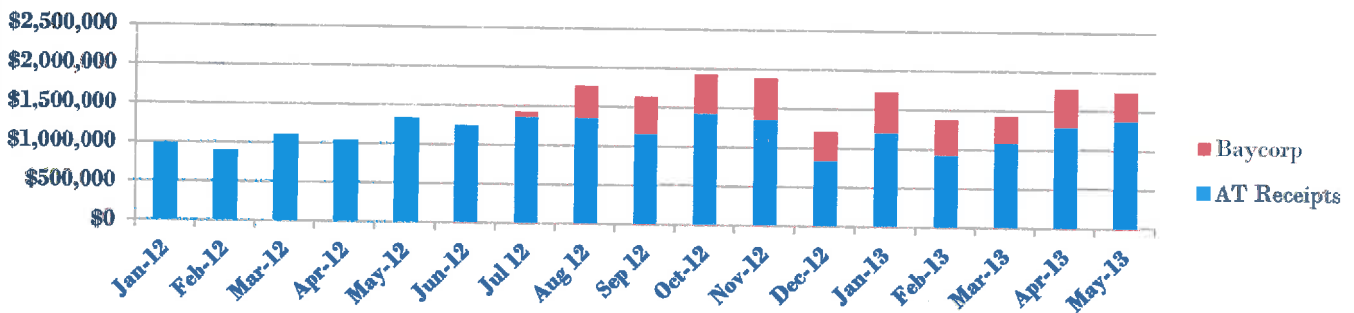
## Infringement Overview

Row Labels	No. Receipts	Value Receipts	% of Value
AT Website	11,868	\$601,836	34.48%
AT Finance	85	\$4,738	0.27%
AC FoH	855	\$90,441	5.18%
Baycorp	6,110	\$372,603	21.34%
BNZ RP	1,954	\$108,973	6.24%
Chq's in Post	630	\$56,818	3.25%
Internet Banking	3,155	\$199,143	11.41%
KiwiBank	5,577	\$311,153	17.82%
<b>Grand Total</b>	<b>30,234</b>	<b>\$1,745,705</b>	<b>100.00%</b>



In May, more customers have made use of the AC FoH operation. Internet banking has also increased and while this is our most cost effective method of payment, we rely heavily on customers to provide us with correct information. We are in the process of developing a new payment channel where customers will be able to make account to account transfers on our website in a controlled environment that will automatically provide full detailed information.

## AT Receipts and Baycorp Overview.

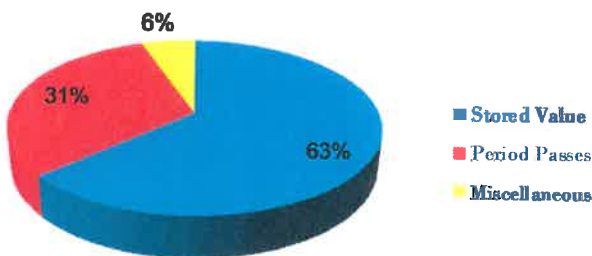


## Auckland Integrated Fares System

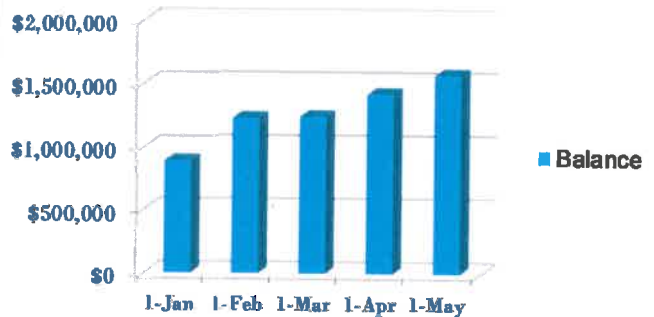
The AIFS Stakeholder bank account does not form part of the assets or liabilities of Auckland Transport.

The AIFS Stakeholder account balance as at 31 May was \$ 1,574,999.68.

### Analysis of AIFS Stakeholder Account at 31/05/2013




### AIFS Month-end balance comparison



## Recommendation

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

<b>Prepared by</b>	Katy Wang <b>Planning and Reporting Accountant</b>  Susan Cairns <b>Senior Financial Reporting Accountant</b>	 
<b>Recommended by</b>	Julian Michael <b>Financial Reporting Manager</b>  Stephen Smith <b>Finance Manager</b>	 
<b>Approved for submission</b>	David Foster <b>Chief Financial Officer</b>	