

# Financial Results for the five Months Ended 30 November 2013

This report summarises the Auckland Transport financial results for the five months ended 30 November 2013.

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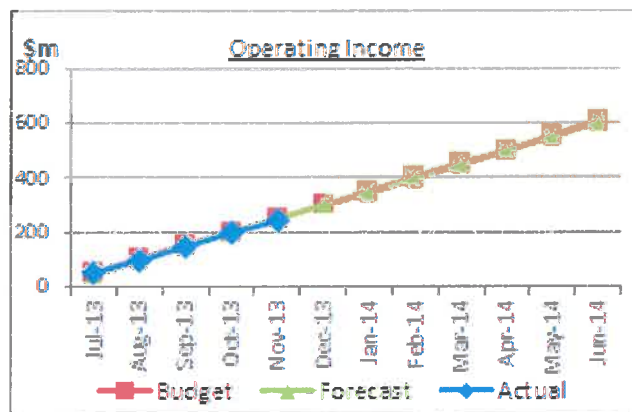
## Executive Summary

### Financial Results for the five months ended 30 November 2013:

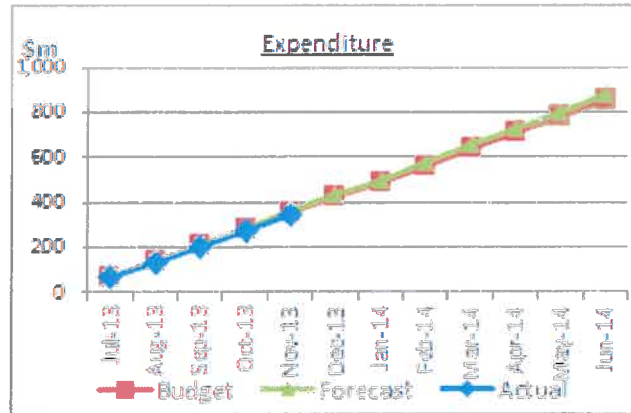
	Current month variance to Forecast \$m	Year to date variance to Forecast \$m	Year to date results	Year to date Actual \$m	Year to date Forecast \$m	Full year Forecast \$m	Full Year Budget \$m
Total operating income	(3.0)	(2.9)	↓ ●	244.4	247.4	599.2	604.0
Total operating expenditure	6.4	12.2	↓ ●	344.4	356.6	879.3	856.7
Surplus/(deficit) from operations	3.4	9.2	↑ ●	(100.0)	(109.2)	(280.1)	(252.7)
Income for capital projects	(1.0)	(5.1)	↓ ●	116.4	121.5	302.6	305.8
Net surplus/(deficit) before tax	2.4	4.1	↑ ●	16.4	12.3	22.5	53.1
Total capital expenditure	23.6	70.1	↓ ●	227.5	297.6	887.2	859.5

#### 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



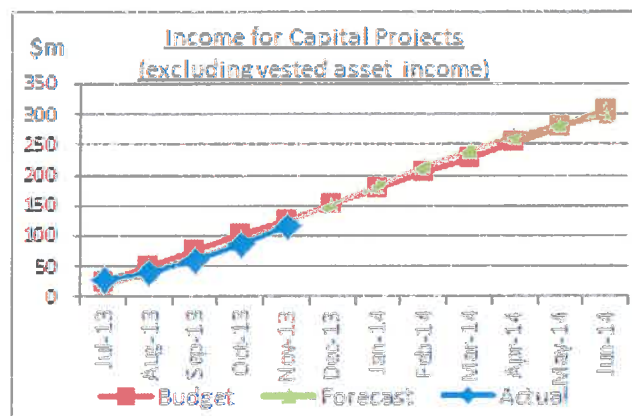
**Total operating income year to date** is below forecast by \$2.9m mainly due to less NZ Transport Agency operating subsidy received than forecast, as a result of lower than planned operating expenditure.



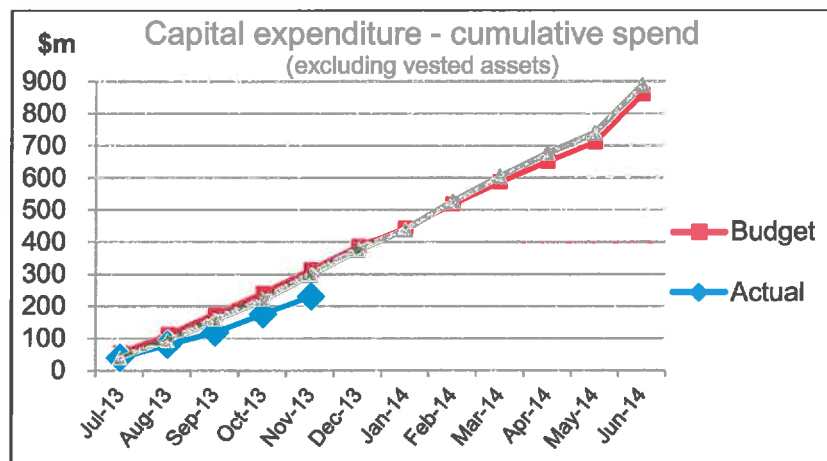
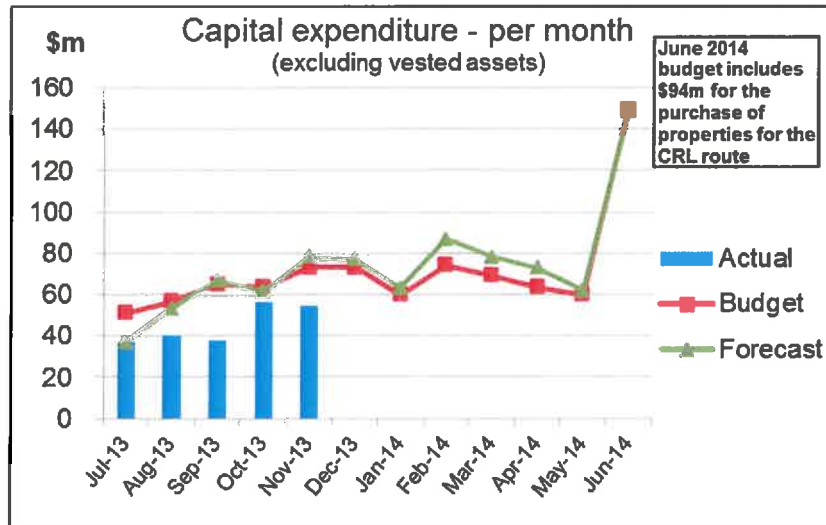
**Total operating expenditure year to date is below forecast by \$12.2m mainly due to:**

- \$5.6m favourable in other expenses mainly due to lower expenditure for public transport
- \$5.3m favourable variance for personnel costs, of which \$1.8m was higher than forecast capitalised personnel costs
- \$1.0m favourable variance for depreciation.

**Net surplus before tax and derivatives is \$4.1m favourable to forecast, due to higher than forecast operational result of \$9.2m partly offset by an unfavourable variance from income for capital projects of \$5.1m.**



**Income for capital projects year to date is lower than forecast by \$5.1m mainly due to lower than forecast NZTA funding as a result of new capital expenditure being lower than forecast.**



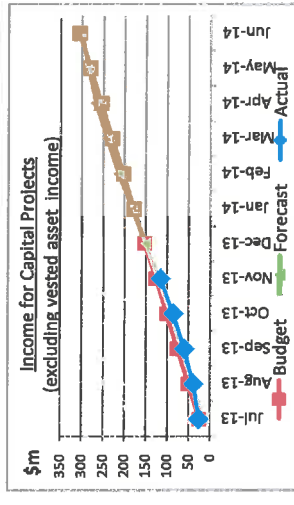
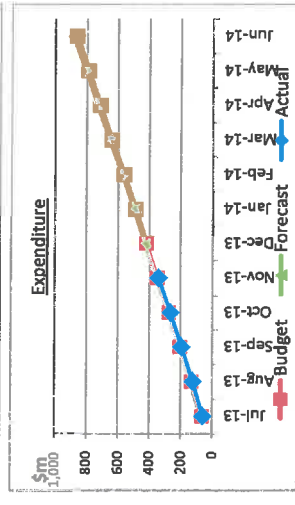
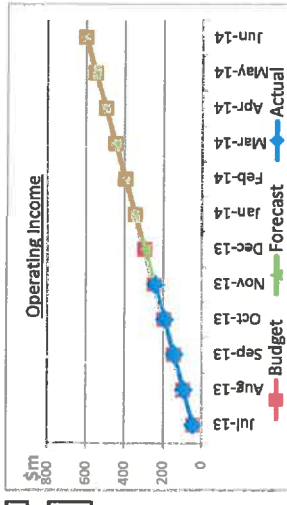
**Capital expenditure year to date**, was \$227.5m, which is \$70.1m lower than forecast due to less expenditure on new capital of \$35.9m, renewal capital of \$14.9m and EMU project \$19.3m. Further details on the variances are in section 3a.

The **asset position** is sound with net assets of \$14.5 billion at the end of November and cash flow funding arrangements in place to ensure all liabilities can be met.

## Section 2a - Auckland Transport Financial Results for the five months ended 30 November 2013

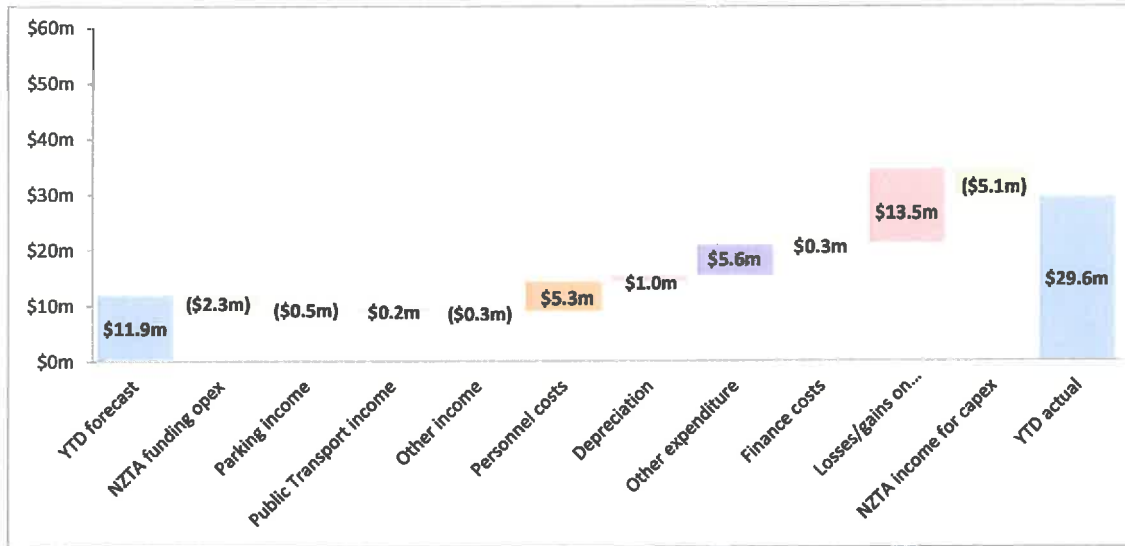
	Current month				Year to date				Full year			
	Actual \$'000	Forecast \$'000	Variance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Results achieved	Actual \$'000	Forecast \$'000	Variance \$'000	Results achieved	
<b>Income</b>												
Operating income												
Auckland Council funding	19,178	19,178	-	95,891	95,891	-	●	230,138	230,138	-	●	
NZ Transport Agency	17,527	19,248	(1,721)	86,316	88,630	(2,314)	●	215,801	219,917	(4,116)	●	
Parking and enforcement income	5,644	6,936	(1,392)	31,108	31,627	(521)	●	78,212	78,932	(720)	●	
Public transport income	4,346	4,209	137	22,000	21,795	205	●	51,005	51,379	(374)	●	
Other revenue including other grants and subsidies	1,910	1,906	4	9,101	9,409	(308)	●	24,043	23,620	423	●	
<b>Total operating income</b>	<b>48,505</b>	<b>51,477</b>	<b>(2,972)</b>	<b>244,414</b>	<b>247,352</b>	<b>(2,938)</b>	●	<b>599,199</b>	<b>603,986</b>	<b>(4,787)</b>	●	
<b>Expenditure</b>												
Personnel costs	8,792	9,766	974	44,248	47,770	3,522	●	114,424	108,471	(5,953)	●	
Capitalised personnel costs	(2,708)	(1,940)	768	(12,082)	(10,310)	1,772	●	(24,384)	(24,355)	29	●	
Depreciation and amortisation expense	22,448	23,493	1,045	111,984	113,001	1,017	●	277,160	283,422	(23,738)	●	
Other expenses	39,566	43,042	3,476	195,315	200,906	5,591	●	498,937	500,865	3,928	●	
Finance costs (Electric Trains)	1,012	1,118	106	4,945	5,210	265	●	15,142	18,285	3,143	●	
<b>Total operating expenditure</b>	<b>69,110</b>	<b>75,479</b>	<b>6,369</b>	<b>344,410</b>	<b>356,577</b>	<b>12,167</b>	●	<b>879,279</b>	<b>856,688</b>	<b>(22,591)</b>	●	
<b>Profit/(loss) from Operations</b>	<b>(20,605)</b>	<b>(24,002)</b>	<b>3,397</b>	<b>(99,996)</b>	<b>(109,225)</b>	<b>9,229</b>	●	<b>(280,080)</b>	<b>(252,702)</b>	<b>(27,378)</b>	●	
<b>Income for capital projects</b>												
NZ Transport Agency	19,497	20,474	(977)	63,048	66,140	(5,092)	●	174,454	177,639	(3,185)	●	
Auckland Council capital grant	10,678	10,678	-	53,392	53,392	-	●	128,140	128,140	-	●	
Other capital grants	-	-	-	-	-	-	●	-	-	-	●	
Vested asset income	-	-	-	-	-	-	●	-	-	-	●	
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>30,175</b>	<b>31,152</b>	<b>(977)</b>	<b>116,440</b>	<b>121,532</b>	<b>(5,092)</b>	●	<b>302,594</b>	<b>305,779</b>	<b>(3,185)</b>	●	
Losses/(gains) on derivatives	(5,446)	-	5,446	(13,117)	382	13,499	●	382	-	(382)	●	
Income tax expense	-	-	-	-	-	-	●	-	-	-	●	
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>15,016</b>	<b>7,150</b>	<b>7,868</b>	<b>29,561</b>	<b>11,925</b>	<b>17,636</b>	●	<b>22,132</b>	<b>53,077</b>	<b>(30,945)</b>	●	

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

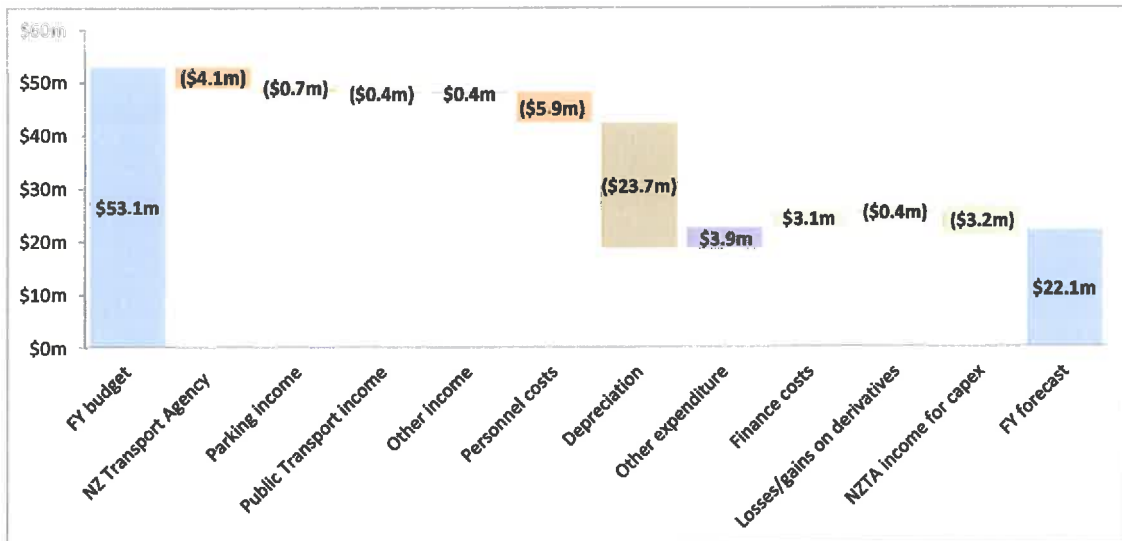


**Section 2b - Net surplus/(deficit) waterfall**

**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 - Summary of financial results by activity for the five months ended 30 November 2013**

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Rail	7,343	8,376	(1,033)	37,662	40,588	(2,926)	98,154	105,077	(6,923)
Bus	7,864	7,700	164	38,204	37,426	778	91,053	93,188	(2,135)
Ferry	793	863	(70)	3,781	3,566	215	9,877	9,832	45
Other Public Transport	1,835	2,240	(405)	9,776	10,144	(368)	25,429	24,640	789
Parking	3,261	3,304	(43)	16,110	15,179	931	37,222	37,942	(720)
Enforcement	2,283	3,632	(1,349)	14,996	16,448	(1,452)	40,990	40,990	-
Roading and footpaths	4,101	4,382	(281)	20,009	19,688	321	45,123	46,034	(911)
Internal support	1,847	1,802	45	7,985	8,422	(437)	21,213	16,145	5,068
Auckland Council operating funding	19,178	19,178	-	95,891	95,891	-	230,138	230,138	-
<b>Total operating income</b>	<b>48,505</b>	<b>51,477</b>	<b>(2,972)</b>	<b>244,414</b>	<b>247,352</b>	<b>(2,938)</b>	<b>599,199</b>	<b>603,986</b>	<b>(4,787)</b>
<b>Operating Expenditure</b>									
Rail	10,556	12,239	1,683	54,307	59,337	5,030	143,962	147,095	3,133
Bus	13,276	13,530	254	64,447	65,496	1,049	157,429	157,836	407
Ferry	1,185	1,291	106	5,691	6,114	423	15,107	14,915	(192)
Other Public Transport	3,269	3,690	421	16,072	16,734	662	43,607	44,025	418
Parking	1,145	1,248	103	5,326	6,342	1,016	14,867	14,566	(301)
Enforcement	1,624	1,856	232	8,220	9,301	1,081	20,946	20,976	30
Roading and footpaths	9,531	10,487	956	47,120	45,116	(2,004)	116,363	115,997	(366)
Internal support	6,075	7,644	1,569	31,244	35,137	3,893	89,835	87,857	(1,978)
Depreciation	22,449	23,494	1,045	111,983	113,000	1,017	277,163	253,421	(23,742)
<b>Total operating expenditure</b>	<b>69,110</b>	<b>75,479</b>	<b>6,369</b>	<b>344,410</b>	<b>356,577</b>	<b>12,167</b>	<b>879,279</b>	<b>856,688</b>	<b>(22,591)</b>
<b>Profit/(loss) from Operations</b>	<b>(20,605)</b>	<b>(24,002)</b>	<b>3,397</b>	<b>(99,996)</b>	<b>(109,225)</b>	<b>9,229</b>	<b>(280,080)</b>	<b>(252,702)</b>	<b>(27,378)</b>

## Section 2c - Rail Operations for the five months ended 30 November 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Activity Income	2,459	2,647	(188)	13,000	13,394	(394)	29,715	29,715	-
Other income	117	103	14	426	562	(136)	1,460	1,460	-
NZTA operating subsidy	4,076	4,866	(790)	20,822	23,034	(2,212)	56,512	62,305	(5,793)
NZTA operating subsidy - Electric Trains	691	760	(69)	3,414	3,598	(184)	10,467	11,597	(1,130)
<b>Total operating income</b>	<b>7,343</b>	<b>8,376</b>	<b>(1,033)</b>	<b>37,662</b>	<b>40,588</b>	<b>(2,926)</b>	<b>98,154</b>	<b>105,077</b>	<b>(6,923)</b>
<b>Operating Expenditure</b>									
Personnel costs	138	190	52	672	908	236	2,343	2,343	-
Capitalised personnel costs	(16)	10	26	(74)	45	119	-	-	-
Service delivery costs and professional services	7,502	8,694	1,192	40,583	43,038	2,455	101,133	101,554	421
Occupancy costs	272	396	124	1,724	1,981	257	4,935	4,660	(275)
Track access charges	1,314	1,314	-	4,802	6,061	1,259	15,258	15,258	-
Other expenditure	334	517	183	1,655	2,094	439	5,151	4,995	(156)
Finance costs (Electric Trains)	1,012	1,118	106	4,945	5,210	265	15,142	18,285	3,143
<b>Total operating expenditure</b>	<b>10,556</b>	<b>12,239</b>	<b>1,683</b>	<b>54,307</b>	<b>59,337</b>	<b>5,030</b>	<b>143,962</b>	<b>147,095</b>	<b>3,133</b>
Depreciation	3,208	2,940	(268)	16,038	14,626	(1,412)	35,204	33,897	(1,307)
<b>Surplus/(deficit) from Operations</b>	<b>(6,421)</b>	<b>(6,803)</b>	<b>382</b>	<b>(32,683)</b>	<b>(33,375)</b>	<b>692</b>	<b>(81,012)</b>	<b>(75,915)</b>	<b>(5,097)</b>
Internal support costs	1,328	1,955	627	7,231	8,577	1,346	22,464	21,727	(737)
<b>Surplus/(deficit)</b>	<b>(7,749)</b>	<b>(8,758)</b>	<b>1,009</b>	<b>(39,914)</b>	<b>(41,952)</b>	<b>2,038</b>	<b>(103,476)</b>	<b>(97,642)</b>	<b>(5,834)</b>

### Operating Income

Lower than forecast NZTA revenue due to lower than forecast expenditure. Full year forecast for NZTA subsidy is lower than budget due to subsidy that was budgeted as operating but is actually renewal.

Full year forecast for NZTA subsidy for Electric Trains is lower than budget due to lower than budgeted interest costs, resulting from lower than planned borrowings.

### Operating Expenditure

Lower than forecast service delivery costs and professional services due to lower than forecast rolling stock maintenance costs, fuel costs savings and lower driver hire costs. Track access charges are lower than forecast as a result of a new contract.

Full year finance costs have been forecast down due to lower than planned borrowings.



## Section 2c - Bus Operations for the five months ended 30 November 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Activity Income	1,077	892	185	4,960	4,479	481	10,620	10,620	-
Other income	10	11	(1)	843	920	(77)	2,238	2,238	-
NZTA operating subsidy	6,777	6,797	(20)	32,401	32,027	374	78,195	80,330	(2,135)
<b>Total operating income</b>	<b>7,864</b>	<b>7,700</b>	<b>164</b>	<b>38,204</b>	<b>37,426</b>	<b>778</b>	<b>91,053</b>	<b>93,188</b>	<b>(2,135)</b>
<b>Operating Expenditure</b>									
Personnel costs	205	211	6	809	980	171	2,600	2,605	5
Capitalised personnel costs	(30)	4	34	143	120	(23)	-	-	-
Service delivery costs and professional services	12,899	13,014	115	62,765	63,249	484	151,486	151,861	375
Occupancy costs	137	215	78	439	832	393	2,463	2,463	-
Other expenditure	65	86	21	291	315	24	880	907	27
<b>Total operating expenditure</b>	<b>13,276</b>	<b>13,530</b>	<b>254</b>	<b>64,447</b>	<b>65,496</b>	<b>1,049</b>	<b>157,429</b>	<b>157,836</b>	<b>407</b>
Depreciation	119	125	6	594	613	19	1,489	658	(831)
<b>Surplus/(deficit) from Operations</b>	<b>(5,531)</b>	<b>(5,955)</b>	<b>424</b>	<b>(26,837)</b>	<b>(28,683)</b>	<b>1,846</b>	<b>(67,865)</b>	<b>(65,306)</b>	<b>(2,559)</b>
Internal support costs	1,425	2,097	672	7,759	9,203	1,444	24,104	23,314	(790)
<b>Surplus/(deficit)</b>	<b>(6,956)</b>	<b>(8,052)</b>	<b>1,096</b>	<b>(34,596)</b>	<b>(37,886)</b>	<b>3,290</b>	<b>(91,969)</b>	<b>(88,620)</b>	<b>(3,349)</b>

### Operating Income

Higher than forecast year to date NZTA operating subsidy due to higher than forecast spend on Super Gold concessionary fares which are 100% funded by NZTA.

### Operating Expenditure

Favourable variance due to delays in operating expenditure including a delay in implementation of some services. This is partly offset by higher than forecast Super Gold concessionary fares which are 100% funded by NZTA.

**Section 2c - Ferry Operations for the five months ended 30 November 2013**

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Operator access fees	287	242	45	1,226	1,139	87	3,075	3,075	-
Activity Income	56	37	19	289	183	106	500	500	-
Other Income	67	63	4	326	317	9	787	787	-
NZTA operating subsidy	383	521	(138)	1,940	1,927	13	5,515	5,470	45
<b>Total operating income</b>	<b>793</b>	<b>863</b>	<b>(70)</b>	<b>3,781</b>	<b>3,566</b>	<b>215</b>	<b>9,877</b>	<b>9,832</b>	<b>45</b>
<b>Operating Expenditure</b>									
Personnel costs	64	63	(1)	248	306	58	781	781	-
Capitalised personnel costs	(1)	3	4	(53)	(1)	52	(22)	(22)	-
Service delivery costs and professional services	911	942	31	4,421	4,486	65	11,130	10,940	(190)
Other expenditure	211	283	72	1,075	1,323	248	3,218	3,216	(2)
<b>Total operating expenditure</b>	<b>1,185</b>	<b>1,291</b>	<b>106</b>	<b>5,691</b>	<b>6,114</b>	<b>423</b>	<b>15,107</b>	<b>14,915</b>	<b>(192)</b>
Depreciation	174	183	9	869	897	28	2,179	2,074	(105)
<b>Surplus(deficit) from Operations</b>	<b>(566)</b>	<b>(611)</b>	<b>45</b>	<b>(2,779)</b>	<b>(3,445)</b>	<b>666</b>	<b>(7,409)</b>	<b>(7,157)</b>	<b>(252)</b>
Internal support costs	135	198	63	733	870	137	2,278	2,203	(75)
<b>Surplus(deficit)</b>	<b>(701)</b>	<b>(809)</b>	<b>108</b>	<b>(3,512)</b>	<b>(4,315)</b>	<b>803</b>	<b>(9,687)</b>	<b>(9,360)</b>	<b>(327)</b>

## Section 2c - Other Public Transport Operations for the five months ended 30 November 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Other Income	273	214	59	930	801	129	2,610	2,984	(374)
NZTA operating subsidy	1,562	2,026	(464)	8,846	9,343	(497)	22,819	21,656	1,163
<b>Total operating income</b>	<b>1,835</b>	<b>2,240</b>	<b>(405)</b>	<b>9,776</b>	<b>10,144</b>	<b>(368)</b>	<b>25,429</b>	<b>24,640</b>	<b>789</b>
<b>Operating Expenditure</b>									
Personnel costs	1,138	1,194	56	5,572	5,712	140	14,776	14,838	62
Capitalised personnel costs	(51)	(36)	15	(276)	(440)	(164)	(665)	(636)	29
Service delivery costs and professional services	1,246	1,865	619	6,787	8,224	1,437	20,889	23,618	2,729
IT costs	26	130	104	774	744	(30)	1,634	1,635	1
Other expenditure	910	537	(373)	3,215	2,494	(721)	6,973	4,570	(2,403)
<b>Total operating expenditure</b>	<b>3,269</b>	<b>3,690</b>	<b>421</b>	<b>16,072</b>	<b>16,734</b>	<b>662</b>	<b>43,607</b>	<b>44,025</b>	<b>418</b>
Depreciation	747	1,192	445	3,834	4,067	233	12,407	8,698	(3,709)
<b>Surplus/(deficit) from Operations</b>	<b>(2,181)</b>	<b>(2,642)</b>	<b>461</b>	<b>(10,130)</b>	<b>(10,657)</b>	<b>527</b>	<b>(30,585)</b>	<b>(28,083)</b>	<b>(2,502)</b>
Internal support costs	398	585	187	2,164	2,567	403	6,723	6,503	(220)
<b>Surplus/(deficit)</b>	<b>(2,579)</b>	<b>(3,227)</b>	<b>648</b>	<b>(12,294)</b>	<b>(13,224)</b>	<b>930</b>	<b>(37,308)</b>	<b>(34,586)</b>	<b>(2,722)</b>

### Operating Income

November forecast NZTA operating subsidy includes subsidy expected to be received in December.

### Operating Expenditure

Delayed expenditure mainly due to delays in roll out of new initiatives for Community Transport..

## Section 2c - Parking Operations for the five months ended 30 November 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Other income	75	64	11	400	321	79	771	771	-
Parking fees	3,186	3,240	(54)	15,710	14,858	852	36,451	37,171	(720)
<b>Total operating income</b>	<b>3,261</b>	<b>3,304</b>	<b>(43)</b>	<b>16,110</b>	<b>15,179</b>	<b>931</b>	<b>37,222</b>	<b>37,942</b>	<b>(720)</b>
<b>Operating Expenditure</b>									
Personnel costs	270	350	80	1,260	1,722	462	3,429	1,870	(1,559)
Capitalised personnel costs	(46)	(17)	29	(85)	(84)	1	(202)	(202)	-
Service delivery costs and professional services	166	338	172	1,147	1,363	216	3,755	4,315	560
Occupancy costs	639	515	(124)	2,651	2,602	(49)	6,203	6,518	315
(Profit)/loss on disposal of assets	-	-	-	52	-	(52)	-	-	-
Other expenditure	116	62	(54)	301	739	438	1,682	2,065	383
<b>Total operating expenditure</b>	<b>1,145</b>	<b>1,248</b>	<b>103</b>	<b>5,326</b>	<b>6,342</b>	<b>1,016</b>	<b>14,867</b>	<b>14,566</b>	<b>(301)</b>
Depreciation	588	595	7	2,949	2,967	18	7,132	6,442	(690)
<b>Surplus/(deficit) from Operations</b>	<b>1,528</b>	<b>1,461</b>	<b>67</b>	<b>7,835</b>	<b>5,870</b>	<b>1,965</b>	<b>15,223</b>	<b>16,934</b>	<b>(1,711)</b>
Internal support costs	132	194	62	716	849	133	2,224	2,152	(72)
<b>Surplus/(deficit)</b>	<b>1,396</b>	<b>1,267</b>	<b>129</b>	<b>7,119</b>	<b>5,021</b>	<b>2,098</b>	<b>12,999</b>	<b>14,782</b>	<b>(1,783)</b>

### Operating Income

Year to date parking revenue is favourable to forecast due to higher than planned occupancy.

### Operating Expenditure

Personnel costs lower than forecast due to staff vacancies. Full year personnel costs higher than budget due to restructure moving personnel who were budgeted for under enforcement into parking.

Service delivery costs are favourable year to date due to delayed maintenance costs. Other expenditure is favourable year to date due to the forecast including an increase in lease costs that has not occurred.

## Section 2c - Enforcement Operations for the five months ended 30 November 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Infringement income	2,283	3,632	(1,349)	14,996	16,448	(1,452)	40,990	40,990	-
<b>Total operating income</b>	<b>2,283</b>	<b>3,632</b>	<b>(1,349)</b>	<b>14,996</b>	<b>16,448</b>	<b>(1,452)</b>	<b>40,990</b>	<b>40,990</b>	<b>-</b>
<b>Operating Expenditure</b>									
Personnel costs	853	1,012	159	4,525	5,107	582	10,919	11,906	987
Capitalised personnel costs	23	-	(23)	46	-	(46)	-	-	-
Service delivery costs and professional services	167	126	(41)	698	624	(74)	1,492	1,607	115
Other expenditure	581	718	137	2,951	3,570	619	8,535	7,463	(1,072)
<b>Total operating expenditure</b>	<b>1,624</b>	<b>1,856</b>	<b>232</b>	<b>8,220</b>	<b>9,301</b>	<b>1,081</b>	<b>20,946</b>	<b>20,976</b>	<b>30</b>
Depreciation	20	27	7	102	123	21	314	1,091	777
<b>Surplus/(deficit) from Operations</b>	<b>639</b>	<b>1,749</b>	<b>(1,110)</b>	<b>6,674</b>	<b>7,024</b>	<b>(350)</b>	<b>19,730</b>	<b>18,923</b>	<b>807</b>
Internal support costs	189	279	90	1,031	1,223	192	3,203	3,098	(105)
<b>Surplus/(deficit)</b>	<b>450</b>	<b>1,470</b>	<b>(1,020)</b>	<b>5,643</b>	<b>5,801</b>	<b>(158)</b>	<b>16,527</b>	<b>15,825</b>	<b>702</b>

### Operating Income

Current month infringement income is unfavourable to forecast due to lower than forecast legacy court receipts and lower than forecast issuances.

### Operating Expenditure

Personnel costs lower than forecast due to staff vacancies. Full year personnel costs lower than budget due to restructure moving personnel who were budgeted for under enforcement into parking.

## Section 2c - Roading and Footpaths Operations for the five months ended 30 November 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Petrol tax	691	723	(32)	3,491	3,616	(125)	8,677	8,677	-
Other income	423	278	145	1,655	1,264	391	3,216	2,795	421
NZTA operating subsidy	2,987	3,381	(394)	14,863	14,808	55	33,230	34,562	(1,332)
<b>Total operating income</b>	<b>4,101</b>	<b>4,382</b>	<b>(281)</b>	<b>20,009</b>	<b>19,688</b>	<b>321</b>	<b>45,123</b>	<b>46,034</b>	<b>(911)</b>
<b>Operating Expenditure</b>									
Personnel costs	1,379	1,445	66	7,253	7,432	179	17,324	17,154	(170)
Capitalised personnel costs	(387)	(401)	(14)	(1,957)	(2,323)	(366)	(5,459)	(5,459)	-
Service delivery costs and professional services	6,331	8,027	1,696	33,209	32,102	(1,107)	84,999	84,300	(699)
Occupancy costs	1,674	1,059	(615)	6,166	6,147	(19)	15,094	15,347	253
IT costs	31	153	122	56	738	682	1,963	2,249	286
Other expenditure	503	204	(299)	2,393	1,020	(1,373)	2,442	2,406	(36)
<b>Total operating expenditure</b>	<b>9,531</b>	<b>10,487</b>	<b>956</b>	<b>47,120</b>	<b>45,116</b>	<b>(2,004)</b>	<b>116,363</b>	<b>115,997</b>	<b>(366)</b>
Depreciation	17,167	17,425	258	85,518	86,369	851	208,348	196,142	(12,206)
<b>Surplus/(deficit) from Operations</b>	<b>(22,597)</b>	<b>(23,530)</b>	<b>933</b>	<b>(112,629)</b>	<b>(111,797)</b>	<b>(832)</b>	<b>(279,588)</b>	<b>(266,105)</b>	<b>(13,483)</b>
Internal support costs	1,047	1,541	494	5,703	6,764	1,061	17,715	17,134	(581)
<b>Surplus/(deficit)</b>	<b>(23,644)</b>	<b>(25,071)</b>	<b>1,427</b>	<b>(118,332)</b>	<b>(118,561)</b>	<b>229</b>	<b>(297,303)</b>	<b>(283,239)</b>	<b>(14,064)</b>

### Operating Expenditure

Higher than forecast year to date service delivery costs due to accelerated work for vegetation control and routine maintenance, however this spend will be contained within the full year forecast. Higher than forecast other expenditure will also be contained within the full year forecast.

## Section 2c - Internal support for the five months ended 30 November 2013

	Current month			Year to date			Full Year		
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000	Forecast 30 Jun 2014 \$000	Budget 30 Jun 2014 \$000	Variance \$000
<b>Operating Income</b>									
Other income	795	905	(110)	3,957	4,531	(574)	12,151	12,149	2
NZTA operating subsidy	1,052	897	155	4,028	3,891	137	9,082	3,996	5,066
<b>Total operating income</b>	<b>1,847</b>	<b>1,802</b>	<b>45</b>	<b>7,985</b>	<b>8,422</b>	<b>(437)</b>	<b>21,213</b>	<b>16,145</b>	<b>5,068</b>
<b>Operating Expenditure</b>									
Personnel costs	4,744	5,302	558	23,909	25,602	1,693	62,251	56,973	(5,278)
Capitalised personnel costs	(2,201)	(1,503)	698	(9,827)	(7,626)	2,201	(18,036)	(18,036)	-
Directors Fees	42	33	(9)	192	166	(26)	399	399	-
Service delivery costs and professional services	2,083	1,932	(151)	9,156	8,490	(666)	23,982	21,062	(2,920)
Other expenditure	1,407	1,880	473	7,814	8,505	691	21,239	27,459	6,220
<b>Total operating expenditure</b>	<b>6,075</b>	<b>7,644</b>	<b>1,569</b>	<b>31,244</b>	<b>35,137</b>	<b>3,893</b>	<b>89,835</b>	<b>87,857</b>	<b>(1,978)</b>
Depreciation	426	1,007	581	2,079	3,338	1,259	10,090	4,419	(5,671)
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(deficit) before allocation of costs</b>	<b>(4,654)</b>	<b>(6,849)</b>	<b>2,195</b>	<b>(25,338)</b>	<b>(30,053)</b>	<b>4,715</b>	<b>(78,712)</b>	<b>(76,131)</b>	<b>(2,581)</b>
Internal support costs	(4,654)	(6,849)	(2,195)	(25,338)	(30,053)	(4,715)	(78,712)	(76,131)	2,581
<b>Total internal support allocation</b>	<b>(4,654)</b>	<b>(6,849)</b>	<b>(2,195)</b>	<b>(25,338)</b>	<b>(30,053)</b>	<b>(4,715)</b>	<b>(78,712)</b>	<b>(76,131)</b>	<b>2,581</b>
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Operating Income

Unfavourable other income due to rental income including an unforecast deduction of rates.

### Operating Expenditure

Lower than forecast personnel costs due to staff vacancies.

Higher than forecast capitalised personnel costs for corporate support \$0.9m and CDD \$1.3m.

YTD service delivery costs and professional services higher than forecast as external resources have covered some staff vacancies.

Favourable other expenditure due to delayed communication costs.

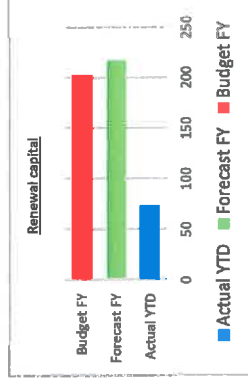
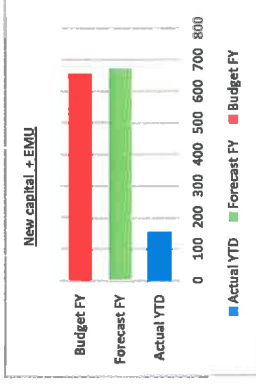
## Section 3a - Summary of Capital Expenditure for the five months ended 30 November 2013

Split by activity

Notes	Current month			Year to date			Full year	
	Actual \$'000	Forecast \$'000	Variance \$'000	Actual \$'000	Forecast \$'000	Variance \$'000	Results Achieved	Budget \$'000
<b>New capital expenditure</b>								
Roads and footpaths	19,213	26,347	7,134	80,888	95,026	14,338	●	234,439
Public transport	11,824	13,502	1,978	31,531	45,905	14,374	●	256,838
Parking operations	71	141	70	140	3,257	3,117	●	8,295
Internal support	1,501	2,090	589	4,828	6,874	4,046	●	22,547
<b>Total new capital</b>	<b>32,309</b>	<b>42,080</b>	<b>9,771</b>	<b>117,187</b>	<b>153,062</b>	<b>35,875</b>	●	<b>516,085</b>
<b>Renewal capital expenditure</b>								
Roads and footpaths	19,307	26,486	7,179	67,251	79,934	12,683	●	188,200
Public transport	629	534	(95)	5,421	6,434	1,013	●	12,722
Parking operations	58	121	63	383	382	9	●	2,121
Internal support	-	-	-	-	1,200	1,200	●	1,200
<b>Total renewal</b>	<b>19,994</b>	<b>27,141</b>	<b>7,147</b>	<b>73,055</b>	<b>87,960</b>	<b>14,905</b>	●	<b>203,043</b>
<b>Electric motor units (EMUs)</b>								
Procurement	2,171	8,432	6,261	31,613	37,723	6,110	●	135,589
Depot	327	752	425	5,675	18,888	13,211	●	19,178
<b>Total EMUs</b>	<b>2,498</b>	<b>9,184</b>	<b>6,686</b>	<b>37,288</b>	<b>56,609</b>	<b>19,321</b>	●	<b>154,767</b>
<b>Total direct capital</b>	<b>54,801</b>	<b>78,405</b>	<b>23,604</b>	<b>227,530</b>	<b>297,631</b>	<b>70,101</b>	●	<b>859,472</b>
<b>Vested assets</b>	-	-	-	-	-	-	-	-
<b>Total capital</b>	<b>54,801</b>	<b>78,405</b>	<b>23,604</b>	<b>227,530</b>	<b>297,631</b>	<b>70,101</b>	●	<b>859,472</b>

Notes: (Year to date)

- \$14.3m favourable variance against forecast in roads is mainly due to NORSGA (\$2.4m, consent issues and land acquisition negotiation longer than expected); Albany Hwy upgrade (\$2.0m, of which \$0.6m due to construction delayed as NZTA funding is being pursued and \$1.4m relates to property mitigation works will be removed in the latest forecast); Te Atatu road corridor improvements (\$1.4m, land acquisition delayed); Taharoto/Wairua Stage 3 (\$1.1m, land acquisition delayed); Smales/Allens road widening (\$1.0m, two properties settlement delayed); Regionwide RTN (\$1.2m, this is pool budget for unscheduled land purchases and will be reallocated to the relevant project where the actual expenditure incurred); Whangaparaoa Road (\$1.1m, project is on hold due to linkage with Penlink); Flat Bush Stage 4 (\$0.6m, eight weeks delay on Vector construction due to approvals took longer than expected).
- \$14.4m favourable variance against forecast in public transport is mainly due to City Rail Link (\$3.9m, \$1.9m due to slower than expected uptake of voluntary acquisitions and \$1.9m due to delay on design works); AIFS (\$2.7m, undelivered milestones for the AIFS project by the contractor Thales); PT Real Time Passenger System (\$1.6m, spend on hold due to business case not being signed off from NZTA and delays in supplier selection); PT Bus Stop Improvements (\$1.8m, delays in completing the internal design work); Manukau City Rail Link (\$2.7m, delays due to the Mainzeal receivership).
- \$3.1m favourable variance against forecast in parking operations is mainly due to Devon Lane carpark (\$2.4m, settlement delayed for purchase of Devon Lane carpark due to legal title transfer issues); Carpark Operating Equipment (\$0.2m, delayed due to the payment card industry compliance issues which is expected to be resolved in December), Campark Earthquake Strengthening (\$0.2m, the unavailability of structural engineers due to works undertaken in Christchurch has delayed the completion of structural tests).
- \$4.0m favourable variance against forecast in internal support is mainly due to various IT works will be assigned to appropriate activities and funding sourced through reprorisation of capex programme. Spend on these projects are on hold until budget constraints are resolved.
- \$12.7m renewals underspend on roads is mainly due to project delayed including a delay in design of area wide pavement treatments.
- \$1.0m renewals underspend on public transport is mainly from Bus Station, Train Station and Wharf renewals, which is expected to be within the full year forecast.
- \$1.2m renewals underspend on internal support is due to spend on hold on the IT project until budget constraints are resolved.
- \$19.3m underspend on EMU project is mainly due to EMU depot (\$13.2m, uncertainty on resolution of final claim from key contractors); EMU procurement (\$6.1m, changes in the original delivery programme with a delay in delivery of two units which is expected to catch up in the first quarter next year).

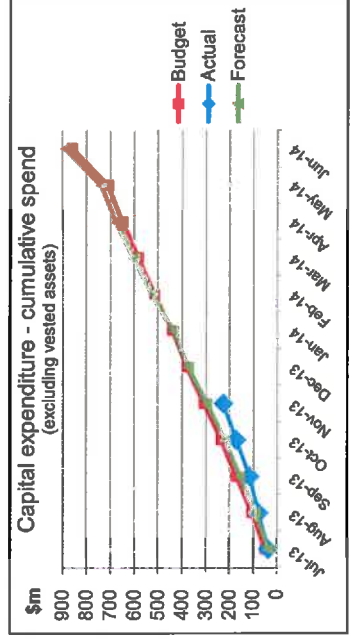
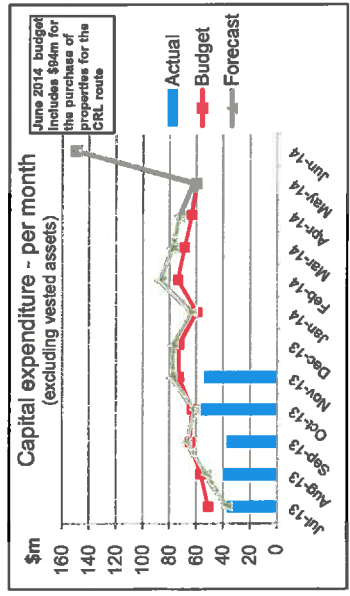
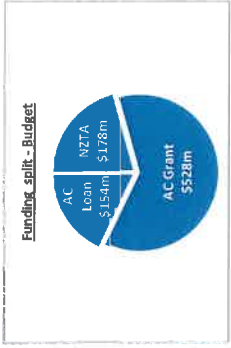


- : Largely on track
- : Some issues or risks
- : Project issues or risks



**Section 3b - Capital Expenditure Funding for the five months ended 30 November 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	10,135	7,919	2,216	30,626	29,792	834	98,691	111,621	(12,930)
NZTA - renewal capital	9,362	12,555	(3,193)	32,422	38,347	(5,925)	75,763	66,019	9,744
Other grants and subsidies	-	-	-	-	-	-	-	-	-
Auckland Council funding (Non EMU)	32,808	48,747	(15,941)	127,194	172,883	(45,689)	558,184	527,814	30,370
Auckland Council loan (EMU)	2,498	9,184	(6,686)	37,288	56,608	(19,321)	154,541	154,018	523
<b>Total funding</b>	<b>54,801</b>	<b>78,405</b>	<b>(23,604)</b>	<b>227,530</b>	<b>297,631</b>	<b>(70,101)</b>	<b>887,179</b>	<b>859,472</b>	<b>27,707</b>



**Section 4a - Statement of Financial Position  
As at 30 November 2013**

	Note	Actual 30 November 2013 \$000	Actual 31 October 2013 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	68,406	69,562
Trade and other receivables	2	129,238	125,219
Inventories		4,499	4,465
Other assets		6,189	9,461
<b>Total current assets</b>		<b>208,332</b>	<b>208,707</b>
<b>Non-current assets</b>			
Property, plant and equipment - assets		13,942,921	13,932,857
Property, plant and equipment - work-in-progress		667,779	645,708
Intangible assets		74,189	74,198
Derivative financial instruments	3	2,074	-
Amounts due from related parties		46,000	46,000
<b>Total non-current assets</b>		<b>14,732,963</b>	<b>14,698,763</b>
<b>Total assets</b>		<b>14,941,295</b>	<b>14,907,470</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	3	17,217	19,232
Trade and other payables	4	152,507	146,588
Employee benefit liabilities	5	9,169	8,706
Borrowings	6	1,539	1,545
<b>Total current liabilities</b>		<b>180,432</b>	<b>176,071</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	3	14,343	21,859
Employee benefit liabilities	5	851	851
Borrowings	6	242,190	242,291
Deferred tax liability	7	9,173	9,173
<b>Total non-current liabilities</b>		<b>266,557</b>	<b>274,174</b>
<b>Total liabilities</b>		<b>446,989</b>	<b>450,245</b>
<b>Net assets</b>		<b>14,494,306</b>	<b>14,457,225</b>
<b>Equity</b>			
Contributed equity		13,031,324	13,015,179
Retained earnings/(losses)		348,267	333,253
Reserves		1,114,715	1,108,793
<b>Total equity</b>		<b>14,494,306</b>	<b>14,457,225</b>

**Section 4b - Notes to the Financial Statements  
As at 30 November 2013**

	Actual 30 November 2013 \$000	Actual 31 October 2013 \$000
<b>1 Cash and cash equivalents</b>		
Cash at bank - Trading	16,342	7,050
Cash at bank - AIFS	3,065	2,518
Till floats	275	272
Cash investment with Auckland Council	48,724	59,722
<b>Total cash and cash equivalents</b>	<b>68,406</b>	<b>69,562</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	4,679	4,324
Finance lease receivable	56	57
Infringements receivable	17,214	17,552
Amounts due from related parties	66,820	67,427
Accrued income	38,546	34,278
Goods and services tax	3,677	3,335
	<b>130,992</b>	<b>126,973</b>
Less provision for impairment of receivables	(1,754)	(1,754)
<b>Total trade and other receivables</b>	<b>129,238</b>	<b>125,219</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 30 November 2013 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	109,680	-	109,680
Past due 1 - 30 days	2,623	-	2,623
Past due 31 - 60 days	1,956	-	1,956
Past due 61 - 90 days	1,689	-	1,689
Past due > 90 days	15,044	(1,754)	13,290
	<b>130,992</b>	<b>(1,754)</b>	<b>129,238</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 2013	1,754
Additional provisions made	-
Provisions reversed	-
Receivables written-off	-
<b>At 30 November 2013</b>	<b>1,754</b>

**Section 4b - Notes to the Financial Statements  
As at 30 November 2013**

	Actual 30 November 2013	Actual 31 October 2013
	\$000	\$000

### 3 Derivative financial instruments

**Non-current asset portion**

Interest rate swaps - cash flow hedges	2,074	-
<b>Total derivative financial instrument assets</b>	<b>2,074</b>	<b>-</b>

**Current liability portion**

Forward foreign exchange contracts - cash flow hedges	17,217	19,232
Forward foreign exchange contracts - not hedge accounted	-	-
<b>Current derivative financial instruments</b>	<b>17,217</b>	<b>19,232</b>

**Non-current liability portion**

Interest rate swaps - cash flow hedges	-	3,609
Forward foreign exchange contracts - cash flow hedges	14,343	18,250
<b>Non-current derivative financial instruments</b>	<b>14,343</b>	<b>21,859</b>
<b>Total derivative financial instrument liabilities</b>	<b>31,560</b>	<b>41,091</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 \$Nil. The foreign currency principal amount was EUR €Nil.

*Forward foreign exchange contracts - hedge accounted*

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$323m. The foreign currency principal amount was USD \$229m. These cash flow hedges have been accounted for as effective and the loss of \$13m 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 \$333m. At 30 November 2013 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.11% to 5.41%. The gain on their revaluation of \$13.6m has been recorded in the Statement of Financial Performance.

### 4 Trade and other payables

Creditors	17,846	16,795
Accrued expenses	105,590	105,316
Retentions	6,827	7,226
Amounts due to related parties	18,279	13,695
Income in advance	914	1,045
AIFS Hop Card unsecured obligation	3,051	2,511
	<b>152,507</b>	<b>146,588</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 30 November 2013**

	Actual 30 November 2013	Actual 31 October 2013
	\$000	\$000

**5 Employee benefit liabilities**

**Current portion**

Accrued salaries and wages	1,867	1,472
Accrued leave	7,302	7,234
<b>Current employee benefit liabilities</b>	<b>9,169</b>	<b>8,706</b>

**Non-current portion**

Retirement gratuities	383	383
Long service leave	468	468
<b>Non-current employee benefit liabilities</b>	<b>851</b>	<b>851</b>

**6 Borrowings**

**Current portion**

Loans from Auckland Council	1,386	1,379
Finance Leases	153	166
<b>Current borrowings</b>	<b>1,539</b>	<b>1,545</b>

**Non-current portion**

Loans from Auckland Council	241,780	241,881
Finance Leases	410	410
<b>Non-current borrowings</b>	<b>242,190</b>	<b>242,291</b>

Weighted average cost of funds on total borrowings	5.48%	5.48%
--	-------	-------

Auckland Transport's loan debt of \$243,165,788 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 30 November 2013			Total
	Property, plant and equipment	Other provisions	Tax losses	
	\$000	\$000	\$000	\$000
Deferred tax liability				
Balance at 1 July 2012	(11,020)	-	-	(11,020)
Charged to profit and loss	1,847	-	-	1,847
Charged to equity	-	-	-	-
<b>Balance at 30 November 2013</b>	<b>(9,173)</b>	<b>-</b>	<b>-</b>	<b>(9,173)</b>

## Section 5a - Cash Flow Rolling Forecast as at 30 November 2013

	Current month	Forecast rolling 3 months			
	Actual \$000	Forecast \$000	Forecast Dec 2013 \$000	Forecast Jan 2014 \$000	Forecast Feb 2014 \$000
<b>Cash flows from operating activities</b>					
Total cash provided	74,691	82,629	79,028	80,033	81,900
<b>Cash applied to:</b>					
Payments to suppliers, employees and directors	42,057	50,359	48,522	47,264	49,175
Interest paid	861	1,118	1,230	1,333	1,203
Goods and services tax (net)	341	-	-	-	-
<b>Total cash applied</b>	<b>43,259</b>	<b>51,477</b>	<b>49,752</b>	<b>48,597</b>	<b>50,378</b>
<b>Net cash from operating activities</b>	<b>31,432</b>	<b>31,152</b>	<b>29,276</b>	<b>31,436</b>	<b>31,522</b>

<b>Cash flows from investing activities</b>					
<b>Cash provided from:</b>					
Sale of property, plant and equipment	224	-	-	-	-
<b>Total cash provided</b>	<b>224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash applied to:</b>					
Capital expenditure projects	48,851	78,405	77,396	63,338	86,972
<b>Total cash applied</b>	<b>48,851</b>	<b>78,405</b>	<b>77,396</b>	<b>63,338</b>	<b>86,972</b>
<b>Net cash from investing activities</b>	<b>(48,627)</b>	<b>(78,405)</b>	<b>(77,396)</b>	<b>(63,338)</b>	<b>(86,972)</b>

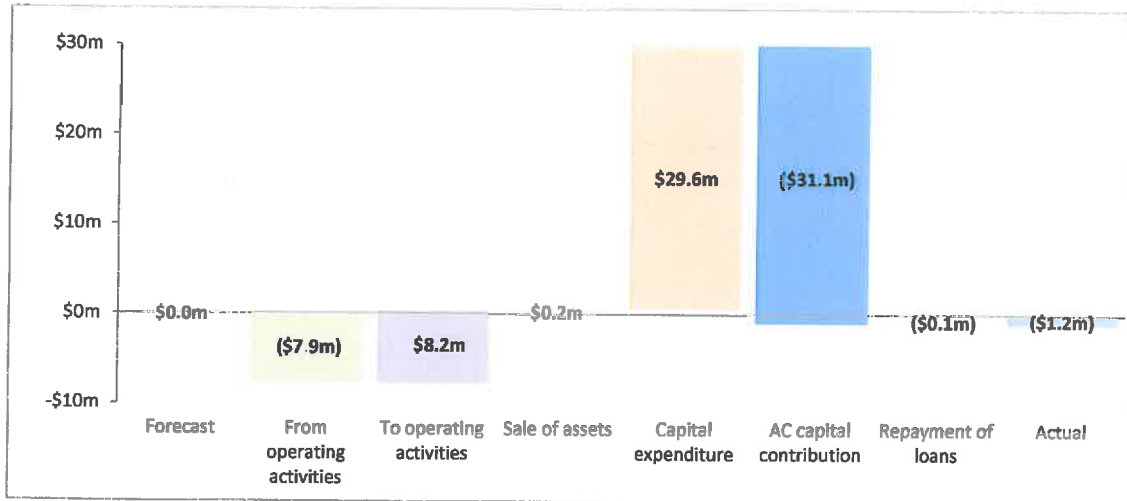
<b>Cash flows from financing activities</b>					
<b>Cash provided from:</b>					
Loan from Auckland Council - EMU	-	-	33,000	-	-
Capital contribution from Auckland Council	16,145	47,253	15,120	31,902	55,450
<b>Total cash provided</b>	<b>16,145</b>	<b>47,253</b>	<b>48,120</b>	<b>31,902</b>	<b>55,450</b>
<b>Cash applied to:</b>					
Repayments of EMU loan from Auckland Council	94	-	-	-	-
Repayments of finance lease principal	12	-	-	-	-
<b>Total cash provided</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>16,039</b>	<b>47,253</b>	<b>48,120</b>	<b>31,902</b>	<b>55,450</b>

<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,156)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening cash balance	69,562	-	-	-	-
<b>Closing cash balance</b>	<b>68,406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities		Current month
Surplus/(deficit) after tax		\$000
		15,016
<b>Add/(less) non cash items</b>		
Depreciation and amortisation		22,449
Vested assets		-
Loss on disposal of property, plant and equipment		-
Loss on asset write off		-
Revaluation decrement		-
Foreign exchange gains		-
Loss on interest rate swaps		(5,682)
Income tax		-
		<b>16,767</b>
<b>Add/(less) movements in working capital</b>		
Decrease/(Increase) in debtors and other receivables		23,737
Decrease/(Increase) in inventories		(35)
(Decrease)/Increase in creditors and other payables		2,627
(Decrease)/Increase in employee benefits payable		463
(Decrease)/Increase in investment funding from AC		(27,143)
		<b>(351)</b>
<b>Net cash flow from operating activities</b>		<b>31,432</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 30 November has 95.1% (97.4% October) of adjusted Debtors in 30 and 60 days.

#### Debtors Ageing Analysis as at 30 November 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 30 Nov</b>	<b>152</b>	<b>5,156,565</b>	<b>2,366,969</b>	<b>200,452</b>	<b>193,251</b>	<b>271,698</b>	<b>2,124,195</b>	
		100.0%	45.9%	3.9%	3.7%	5.3%	41.2%	
O/s Related Parties	33	476,818	243,319	57,588	124,525	11,171	40,215	1
<b>Trade Debtors</b>	<b>119</b>	<b>4,679,747</b>	<b>2,123,650</b>	<b>142,864</b>	<b>68,726</b>	<b>260,527</b>	<b>2,083,980</b>	
		100.0%	45.4%	3.1%	1.5%	5.6%	44.5%	
Queried Invoices	219	291,957	8,088	16,566	20,876	629	245,797	2
Cell Sites - Property	408	1,971,525	5,689	0	0	193,741	1,772,095	3
To Baycorp (Collection)	427	21,296	345	360	360	575	19,656	4
Payment Arrangement	30	6,918	5,997	920	0	0	0	5
Lodged Courts (Damages)	84	127,693	26,403	53,266	4,547	1,249	42,228	6
<b>Adjusted Debtors</b>	<b>N/a</b>	<b>2,260,358</b>	<b>2,077,127</b>	<b>71,752</b>	<b>42,942</b>	<b>64,333</b>	<b>4,205</b>	
		100.0%	91.9%	3.2%	1.9%	2.8%	0.2%	

- 1 - This section relates to amounts owed by related parties (inter-company).
- 2 - This section comprises invoices which have been queried or disputed by customers and we are working with the debtors and the relevant Departments in an effort to resolve these queries. PT Ops have indicated that recovery of the \$152k under query is unlikely at this stage and in light of this, will be reported as doubtful at the half year audit. PT Ops have reported that they are attempting to reach an agreement with the debtor for recovery. An amount of \$91k outstanding from a group of apartments with increased parking charges under dispute has been discussed with the Property Group. While Property will continue legal discussions around the recovery of the amounts, they have agreed that it is prudent to provide for a doubtful debt at the half year audit. Updates on these invoices will be provided in future reports.
- 3 - The outstanding amount relates to the ongoing cell sites dispute. The COO Team had reported that they are committed to further 'without prejudice' dialogue with the network operators, with the objective of reaching agreement on past and future charges. Legal action may be an option in the future if this course of action fails.
- 4 - This section comprises accounts lodged with Baycorp for collection. Some of these outstanding amounts may be written off in the future. All amounts written off are approved by the CFO in accordance with accepted practice.
- 5 - Slow payers with payment arrangements. These Debtors are being monitored to ensure that arrangement terms are met.
- 6 - 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.

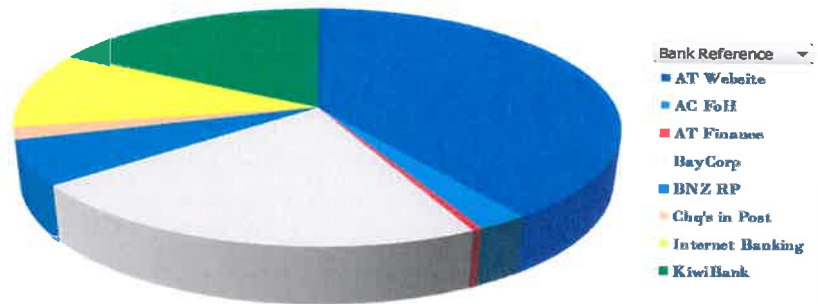


## Infringement Overview

Row Labels	No. Receipts	Value Receipts	% of Total
AT Website	12,708	\$639,711	35.5%
AC FoH	766	\$87,182	4.8%
AT Finance	139	\$5,817	0.3%
BayCorp	6,919	\$411,298	22.9%
BNZ RP	1,916	\$99,457	5.5%
Chq's in Post	551	\$64,408	3.6%
Internet Banking	3,371	\$202,515	11.3%
KiwiBank	5,531	\$289,158	16.1%
<b>Grand Total</b>	<b>31,801</b>	<b>\$1,799,545</b>	<b>100.0%</b>

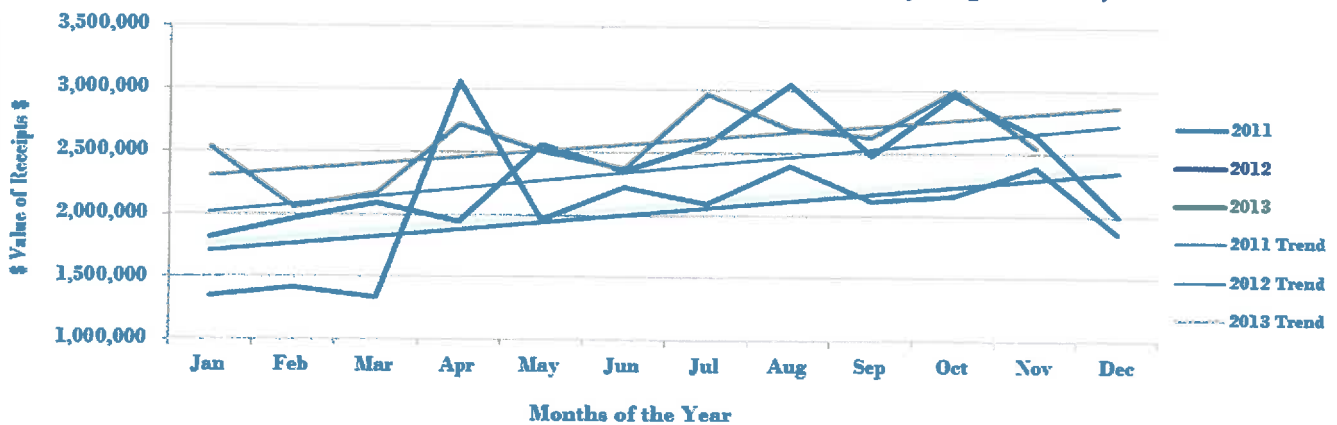
No. Receipts, Value Receipts, % of Total

### Analysis by Payment Channel



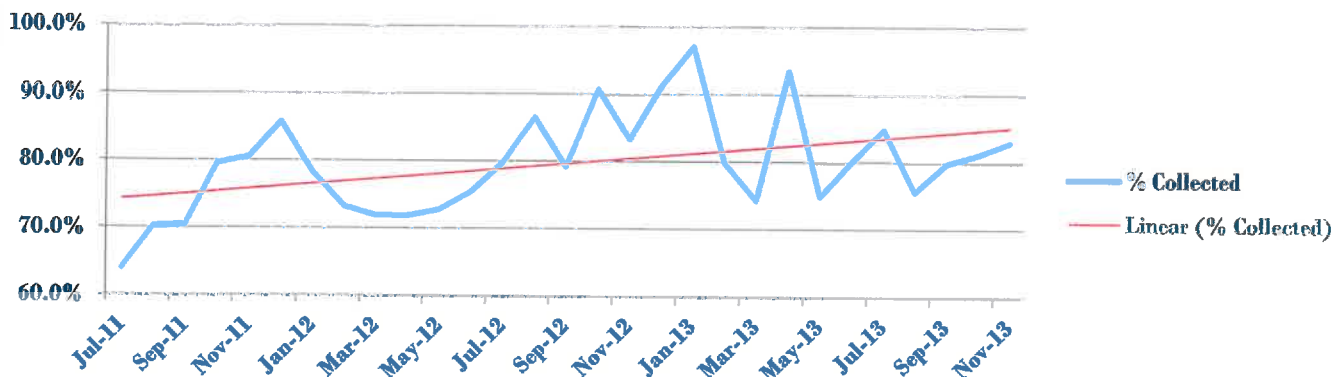
November Infringement receipts are 8.1% down on October. November has 21 working days compared with 22 in October. November's receipts are 3.2% up on November 2012 which had 22 working days. The drop in receipts is indicative of this time of the year. AT continues to receipt an average of between 1,500 and 1,600 receipts per day for Infringements. There is little change this month with payment channels usage when compared with October.

### All Receipting 2011 vs 2012 vs 2013 (AT, Baycorp & MOJ)



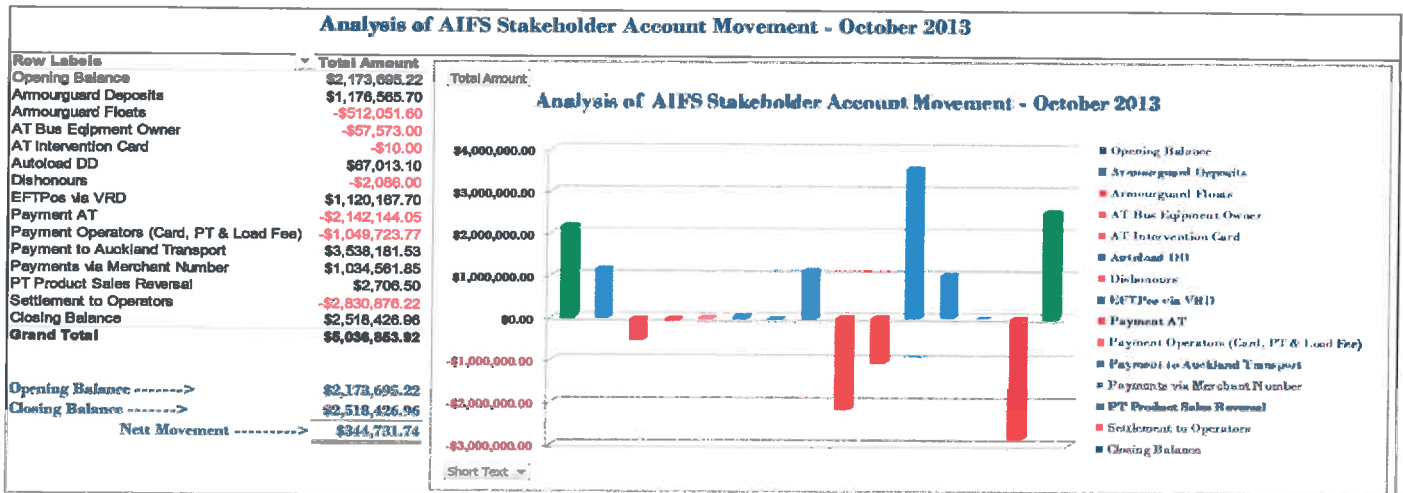
The graph above includes all receipts through AT, Baycorp as well as MOJ. MOJ collections in November are around \$300k down on October and analysis has shown that this is almost identical to what happened in 2012. Overall, the graph still provides proof that receipts are growing year on year as can be seen from the trend lines provided.

### Infringement Receipts by Value as a Percentage of Infringements Issued.

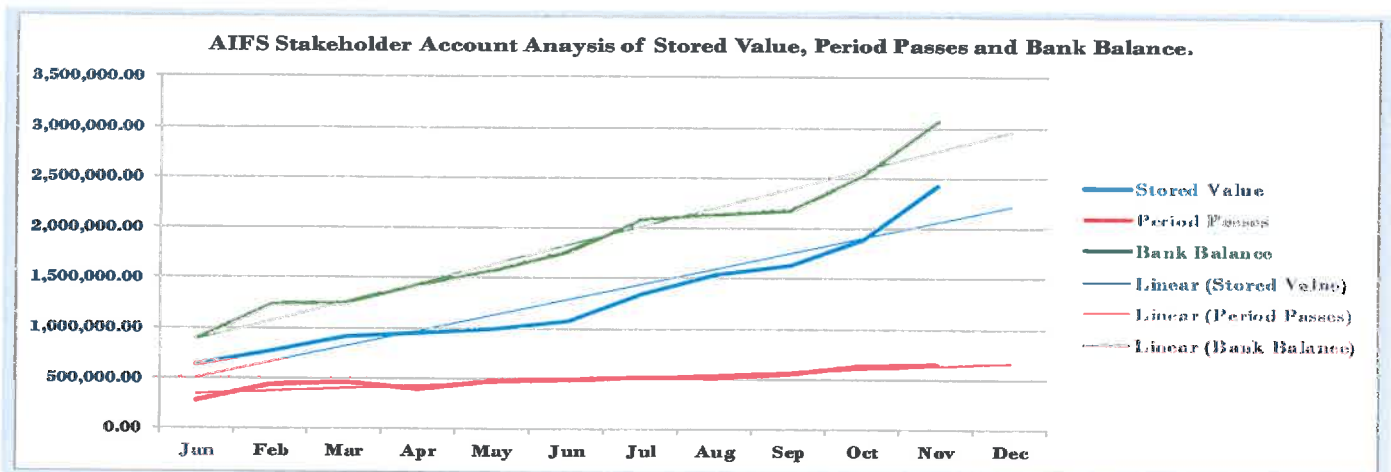


## Section 7 - AIFS Stakeholder Monthly Report (Does not form part of AT results)

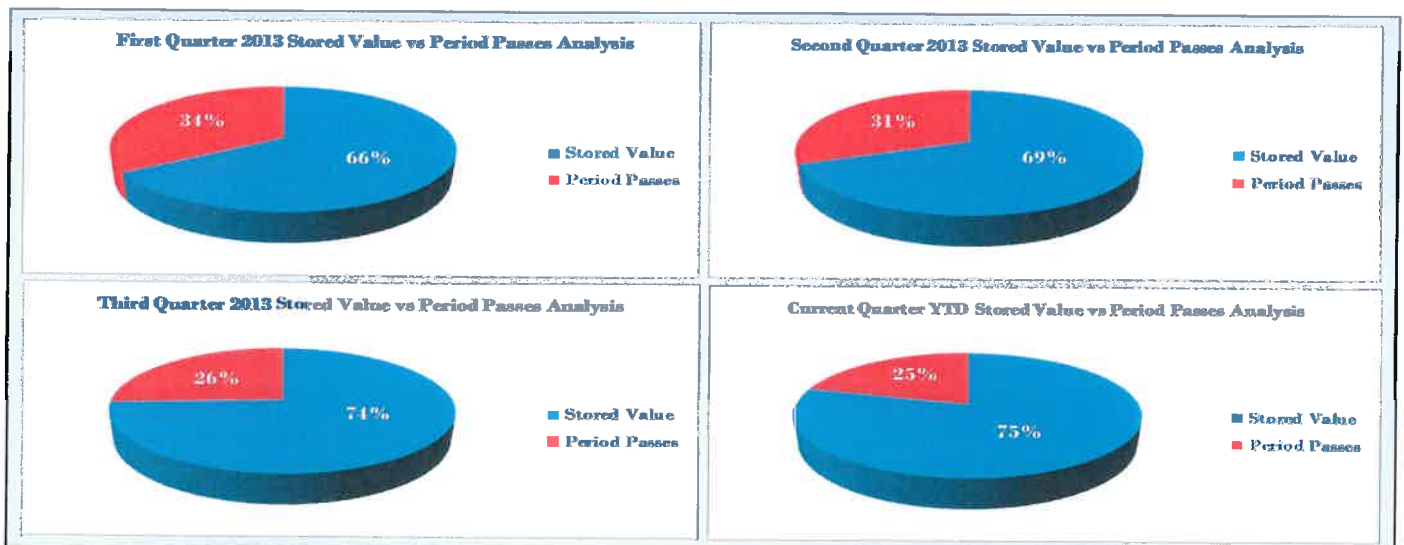
While the analysis of the AIFS Stakeholder account is always a month behind, we can report an increase of 21.7% in November up from a 15.8% increase in October.



The following graph provides an overview of monthly balances for Stored Value, Period Passes and the AIFS Stakeholder account together with trend lines. The increase in the Stakeholder account is mainly as a result of the Stored Value portion of the account (as can be seen from the line movement in the bank balance and stored value balance below).







The pie graphs below illustrate the split between stored value and period passes. The constant increase of the blue (stored value) component clearly demonstrates how customers have opted to manage the cost of public transport through Stored Value, rather than buy Period Passes.



## 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 Warburton <b>Acting Chief Financial Officer</b>	