

# Financial Results for the Four Months Ended 31 October 2014

This report summarises the Auckland Transport financial results for the four months ended 31 October 2014.

## Recommendation

That the Board:

- i. Receives the report.

## Table of Contents

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

## Executive Summary

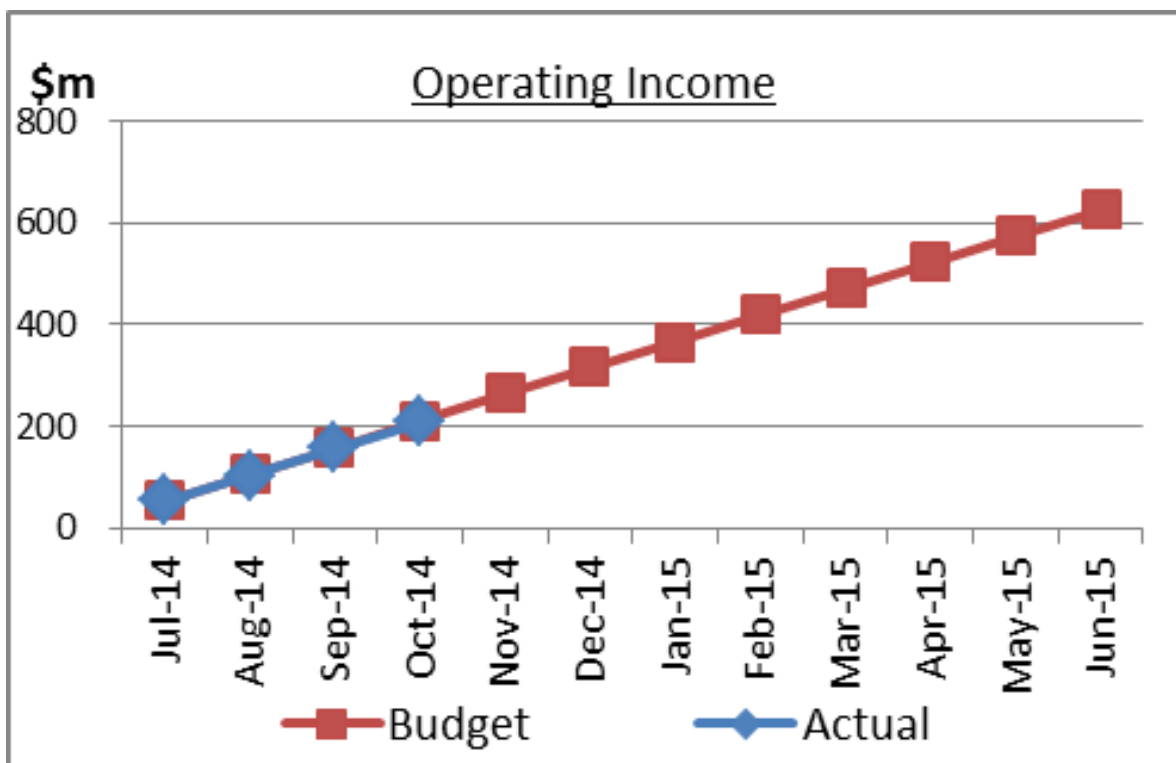
### Financial Results for the four months ended 31 October 2014:

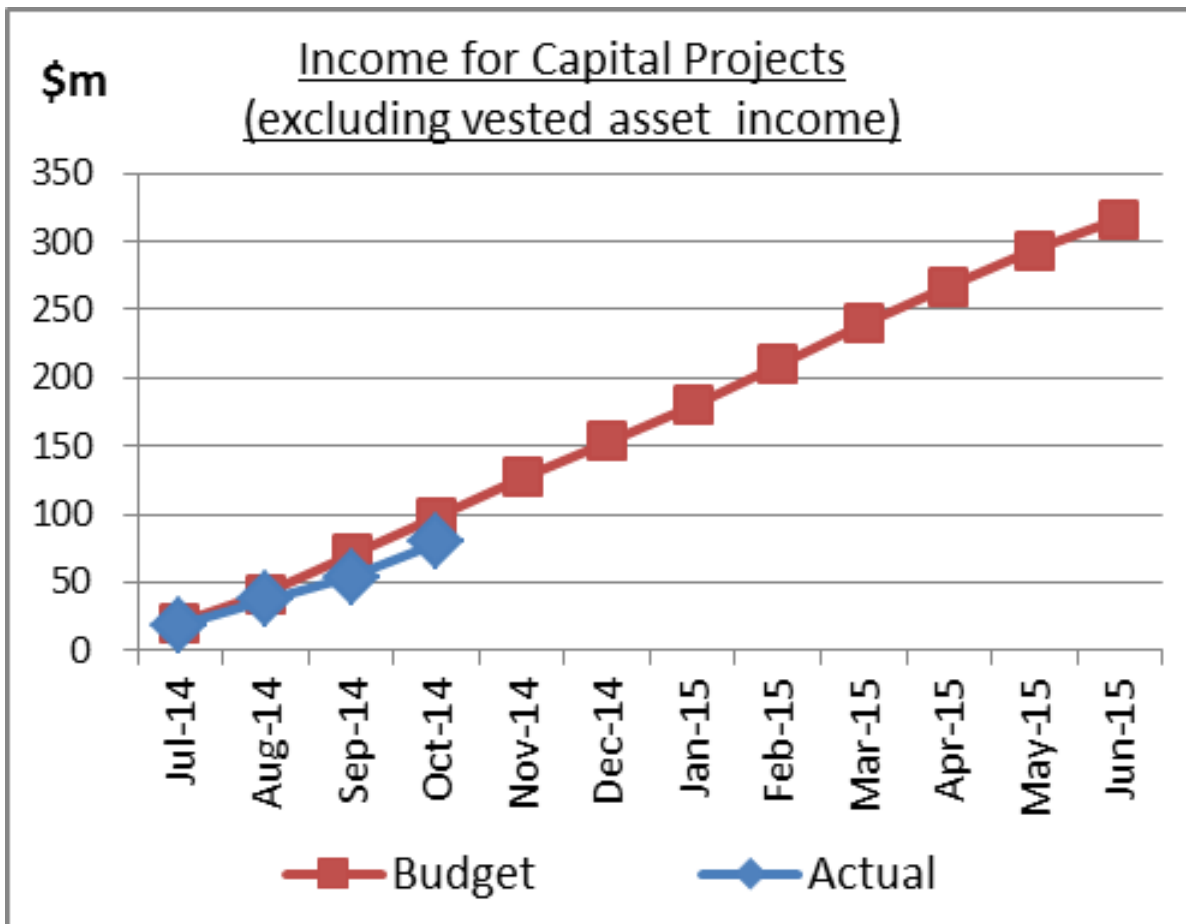
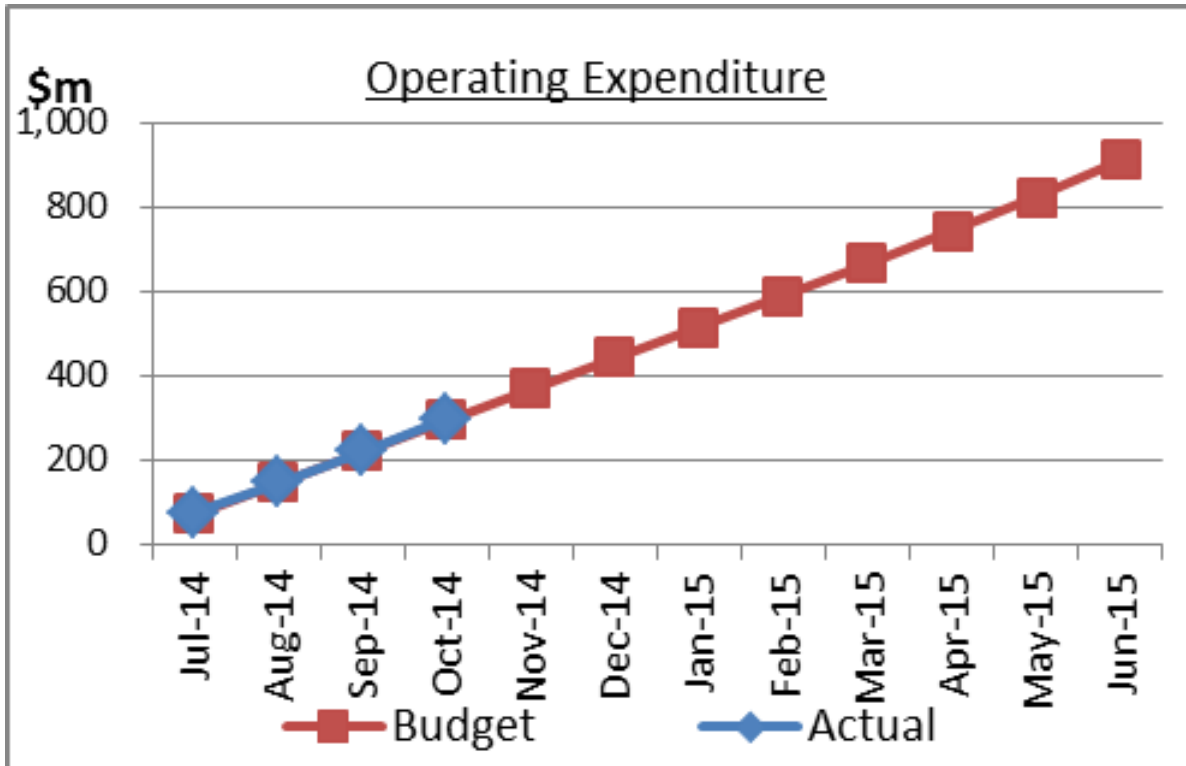
	Current month variance to budget \$m	Year to date variance to budget \$m	Year to date results	Year to date Actual \$m	Year to date budget \$m	Full Year Budget \$m
Total operating income	(0.7)	(2.6)	↓ ●	208.9	211.5	624.6
Total operating expenditure	0.5	(1.3)	↑ ●	297.0	295.7	912.0
Surplus/(deficit) from operations	(0.3)	(3.9)	↓ ●	(88.1)	(84.2)	(287.4)
Income for capital projects	(2.0)	24.6	↑ ●	122.4	97.9	316.4
Net surplus/(deficit) before tax	(2.2)	20.7	↑ ●	34.3	13.6	29.0
Total direct capital *	(5.2)	(5.2)	↑ ●	213.9	208.6	733.4

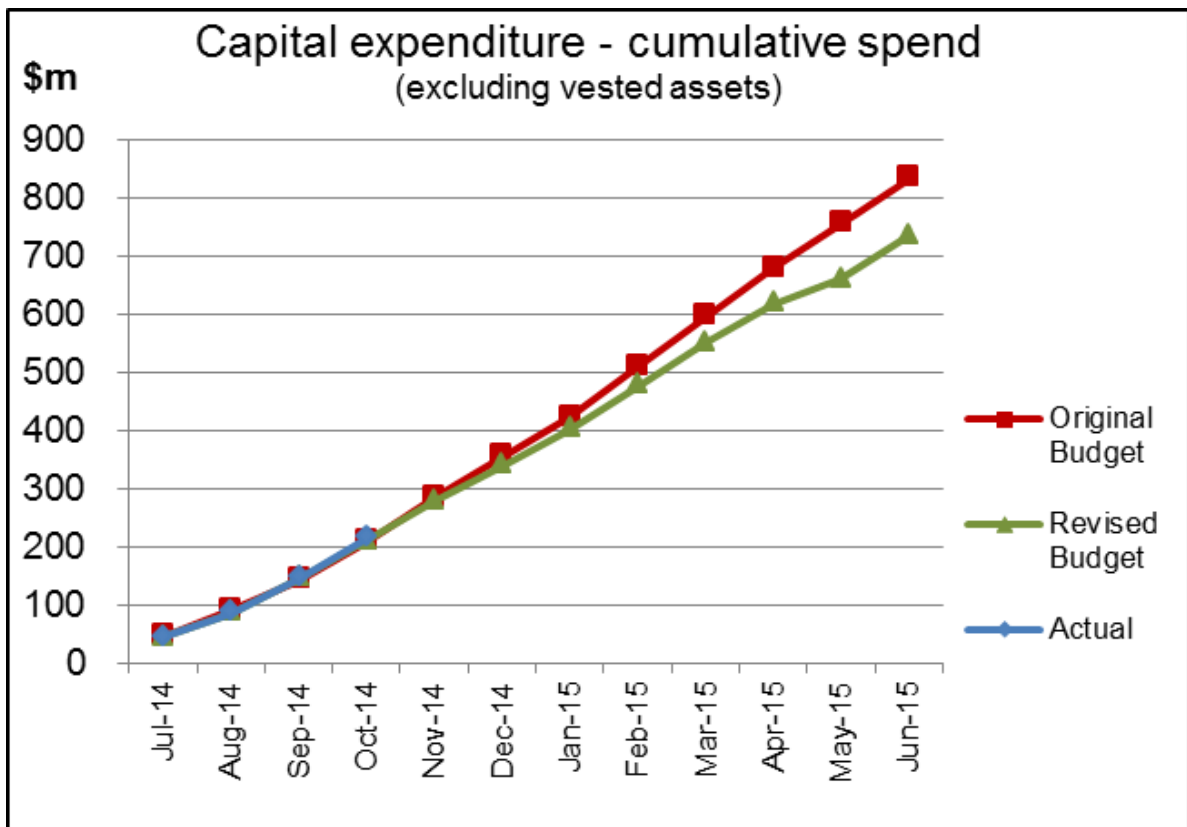
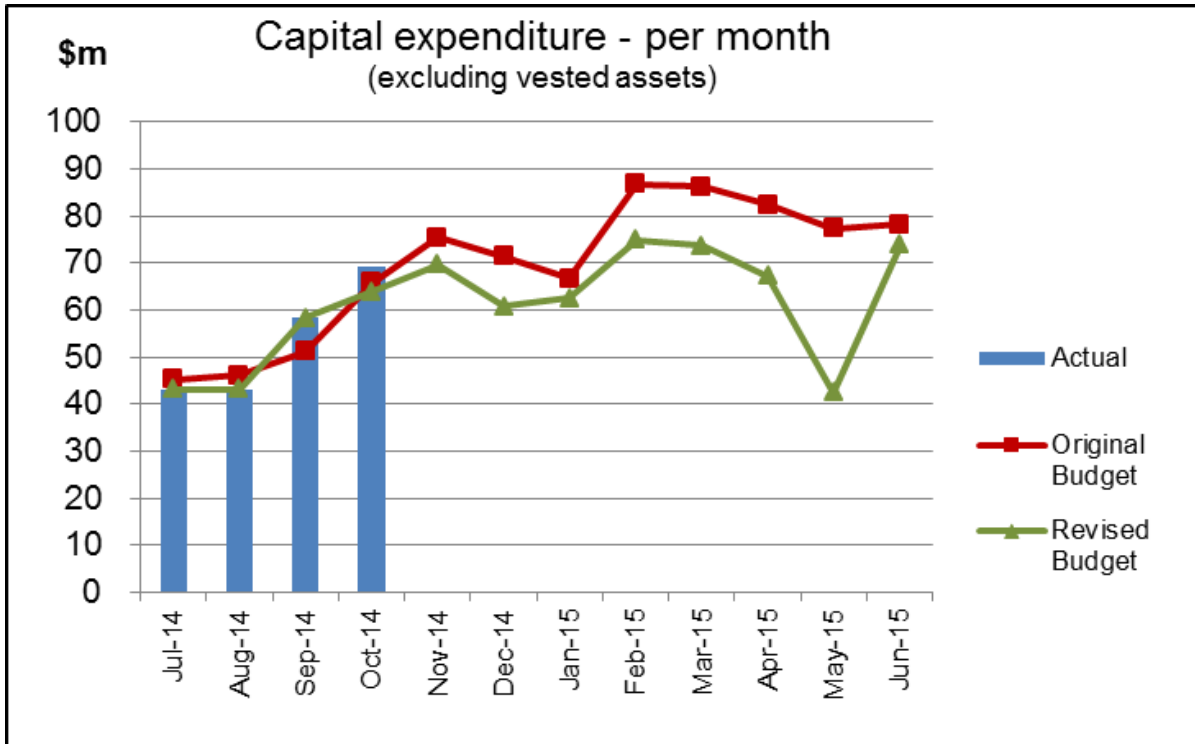
\* The revised budget has been used for direct capital.

#### Key to symbols used:

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

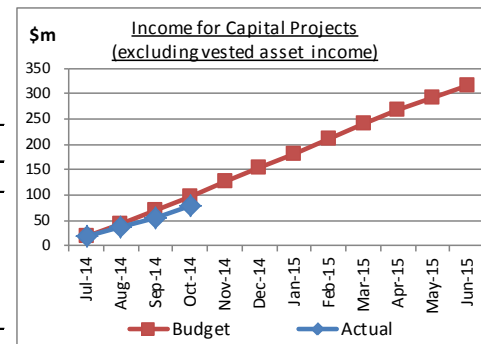
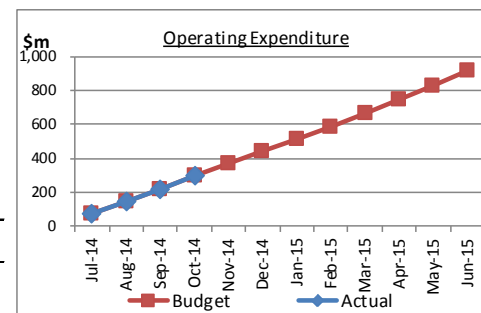
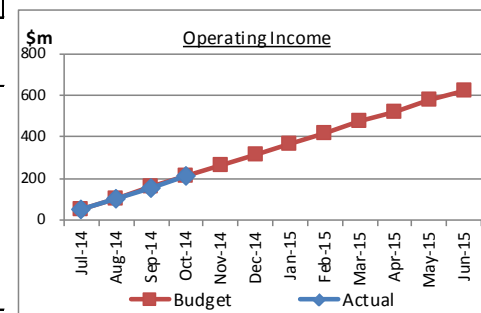






## Section 2a – Financial Results for the four months ended 31 October 2014

	Current month			Year to date			Results achieved	Full year Budget \$000
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000		
<b>Income</b>								
<u>Operating income</u>								
Auckland Council funding	19,632	19,632	-	78,528	78,528	-	●	235,583
NZ Transport Agency	18,102	20,053	(1,951)	73,353	77,751	(4,398)	●	227,178
Parking and enforcement income	6,593	7,349	(756)	25,852	27,587	(1,735)	●	79,702
Public transport income	6,614	4,856	1,758	22,483	19,305	3,178	●	56,465
Other revenue including other grants and subsidies	2,298	2,073	225	8,684	8,298	386	●	25,695
<b>Total operating income</b>	<b>53,239</b>	<b>53,963</b>	<b>(724)</b>	<b>208,900</b>	<b>211,469</b>	<b>(2,569)</b>	●	<b>624,623</b>
<b>Expenditure</b>								
Personnel costs	11,190	10,930	(260)	42,517	42,340	(177)	●	122,259
Capitalised personnel costs	(2,184)	(2,648)	(464)	(8,758)	(10,228)	(1,470)	●	(30,002)
Depreciation and amortisation expense *	23,788	23,678	(110)	93,171	92,310	(861)	●	290,927
Other expenses	40,476	41,672	1,196	162,775	163,782	1,007	●	501,592
Finance costs (Electric Trains)	1,935	2,029	94	7,343	7,499	156	●	27,264
<b>Total operating expenditure</b>	<b>75,205</b>	<b>75,661</b>	<b>456</b>	<b>297,048</b>	<b>295,703</b>	<b>(1,345)</b>	●	<b>912,040</b>
<b>Surplus/(deficit) from operations</b>	<b>(21,966)</b>	<b>(21,698)</b>	<b>(268)</b>	<b>(88,148)</b>	<b>(84,234)</b>	<b>(3,914)</b>	●	<b>(287,417)</b>
<u>Income for capital projects</u>								
NZ Transport Agency	14,507	16,521	(2,014)	34,546	53,018	(18,472)	●	181,918
Auckland Council capital grant	11,208	11,208	-	44,834	44,834	-	●	134,501
Vested asset income	35	-	35	43,038	-	43,038	●	-
	25,750	27,729	(1,979)	122,418	97,852	24,566	●	316,419
<b>Net surplus/(deficit) before tax and derivatives</b>	<b>3,784</b>	<b>6,031</b>	<b>(2,247)</b>	<b>34,270</b>	<b>13,618</b>	<b>20,652</b>	●	<b>29,002</b>
Gains/(losses) on derivatives	(2,466)	-	(2,466)	(6,933)	-	(6,933)	-	-
Income tax benefit/(expense)	-	-	-	-	-	-	-	-
Found assets	410	-	410	15,185	-	15,185	-	-
Profit/(loss) on disposal of assets	(2,463)	-	(2,463)	(8,345)	-	(8,345)	-	-
<b>Net surplus/(deficit) after tax and derivatives</b>	<b>(735)</b>	<b>6,031</b>	<b>(6,766)</b>	<b>34,177</b>	<b>13,618</b>	<b>20,559</b>	●	<b>29,002</b>

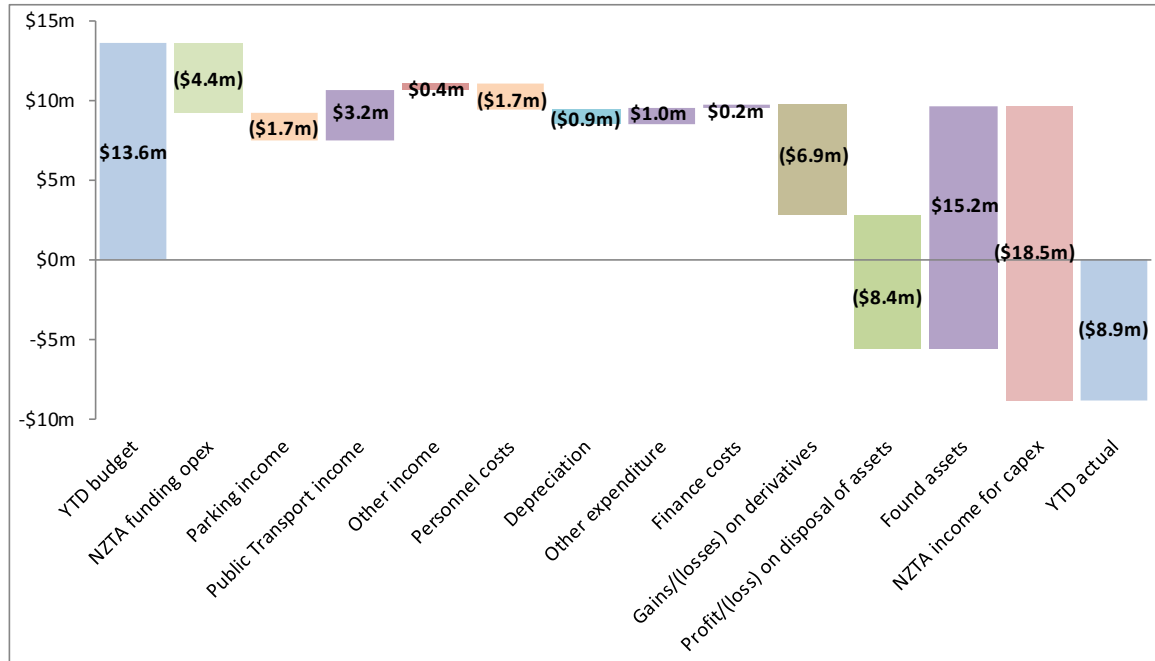


- : Largely on track
- : Monitoring/some action
- : Action required/taken

\* The budget for depreciation and amortisation expense is based on AT's current assumptions, and differs from the SOI planned depreciation and amortisation expense of \$266m.

## Section 2b – Net surplus/(deficit) waterfall

Year to date budget to actual (excluding vested asset income)



## Section 2c – Summary of financial results by activity

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Rail	8,822	8,381	441	35,932	34,703	1,229	104,337
Bus	8,484	8,466	18	32,291	32,060	231	97,222
Ferry	1,102	888	214	3,807	3,326	481	10,634
Other Public Transport	2,540	2,509	31	8,762	9,600	(838)	28,327
Parking	3,714	3,841	(127)	13,954	14,374	(420)	42,036
Enforcement	2,879	3,508	(629)	11,898	13,213	(1,315)	37,666
Roading and footpaths	3,971	4,684	(713)	16,393	17,945	(1,552)	45,852
Internal support	2,095	2,054	41	7,335	7,720	(385)	22,966
Auckland Council operating funding	19,632	19,632	-	78,528	78,528	-	235,583
<b>Total operating income</b>	<b>53,239</b>	<b>53,963</b>	<b>(724)</b>	<b>208,900</b>	<b>211,469</b>	<b>(2,569)</b>	<b>624,623</b>
<b>Operating Expenditure</b>							
Rail	12,305	12,427	122	52,030	51,485	(545)	154,217
Bus	13,383	14,101	718	53,980	54,358	378	167,687
Ferry	1,544	1,413	(131)	5,239	5,219	(20)	16,656
Other Public Transport	3,427	3,766	339	12,373	14,008	1,635	43,393
Parking	1,073	1,316	243	4,010	4,887	877	14,470
Enforcement	1,563	1,677	114	6,223	6,787	564	19,860
Roading and footpaths	9,959	10,019	60	39,758	38,605	(1,153)	116,184
Internal support	8,163	7,263	(900)	30,265	28,044	(2,221)	88,646
Depreciation *	23,788	23,679	(109)	93,170	92,310	(860)	290,927
<b>Total operating expenditure</b>	<b>75,205</b>	<b>75,661</b>	<b>456</b>	<b>297,048</b>	<b>295,703</b>	<b>(1,345)</b>	<b>912,040</b>
<b>Profit/(loss) from Operations</b>	<b>(21,966)</b>	<b>(21,698)</b>	<b>(268)</b>	<b>(88,148)</b>	<b>(84,234)</b>	<b>(3,914)</b>	<b>(287,417)</b>

\* The budget for depreciation and amortisation expense is based on AT's current assumptions, and differs from the SOI planned depreciation and amortisation expense of \$266m.

## Section 2c – Rail operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Activity Income	3,587	2,588	999	12,797	11,034	1,763	32,161
Other income	58	52	6	329	215	114	1,460
NZTA operating subsidy	3,915	4,420	(505)	18,098	18,658	(560)	53,174
NZTA operating subsidy - Electric Trains	1,262	1,321	(59)	4,708	4,796	(88)	17,542
<b>Total operating income</b>	<b>8,822</b>	<b>8,381</b>	<b>441</b>	<b>35,932</b>	<b>34,703</b>	<b>1,229</b>	<b>104,337</b>
<b>Operating Expenditure</b>							
Personnel costs	272	214	(58)	937	823	(114)	2,427
Capitalised personnel costs	-	(10)	(10)	5	(6)	(11)	-
Service delivery costs and professional services	8,144	7,548	(596)	35,026	34,468	(558)	96,269
Occupancy costs	220	419	199	1,469	1,549	80	4,669
Track access charges	756	1,805	1,049	4,622	5,658	1,036	18,922
Other expenditure	978	422	(556)	2,628	1,494	(1,134)	4,666
Finance costs (Electric Trains)	1,935	2,029	94	7,343	7,499	156	27,264
<b>Total operating expenditure</b>	<b>12,305</b>	<b>12,427</b>	<b>122</b>	<b>52,030</b>	<b>51,485</b>	<b>(545)</b>	<b>154,217</b>
Depreciation	2,245	2,202	(43)	8,550	8,262	(288)	28,682
<b>Surplus/(deficit) from Operations</b>	<b>(5,728)</b>	<b>(6,248)</b>	<b>520</b>	<b>(24,648)</b>	<b>(25,044)</b>	<b>396</b>	<b>(78,562)</b>
Internal support costs	2,050	1,749	(301)	7,483	6,859	(624)	22,664
<b>Surplus/(deficit)</b>	<b>(7,778)</b>	<b>(7,997)</b>	<b>219</b>	<b>(32,131)</b>	<b>(31,903)</b>	<b>(228)</b>	<b>(101,226)</b>



## Section 2c – Bus operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Activity Income	1,344	983	361	4,788	3,936	852	10,880
Other income	636	426	210	1,053	863	190	1,874
NZTA operating subsidy	6,504	7,057	(553)	26,450	27,261	(811)	84,468
<b>Total operating income</b>	<b>8,484</b>	<b>8,466</b>	<b>18</b>	<b>32,291</b>	<b>32,060</b>	<b>231</b>	<b>97,222</b>
<b>Operating Expenditure</b>							
Personnel costs	247	252	5	979	967	(12)	2,822
Capitalised personnel costs	-	-	-	14	-	(14)	-
Service delivery costs and professional services	12,993	13,673	680	52,377	52,621	244	162,402
Occupancy costs	105	110	5	380	441	61	1,554
Other expenditure	38	66	28	230	329	99	909
<b>Total operating expenditure</b>	<b>13,383</b>	<b>14,101</b>	<b>718</b>	<b>53,980</b>	<b>54,358</b>	<b>378</b>	<b>167,687</b>
Depreciation	147	150	3	589	576	(13)	1,952
<b>Surplus/(deficit) from Operations</b>	<b>(5,046)</b>	<b>(5,785)</b>	<b>739</b>	<b>(22,278)</b>	<b>(22,874)</b>	<b>596</b>	<b>(72,417)</b>
Internal support costs	2,229	1,902	(327)	8,136	7,458	(678)	24,644
<b>Surplus/(deficit)</b>	<b>(7,275)</b>	<b>(7,687)</b>	<b>412</b>	<b>(30,414)</b>	<b>(30,332)</b>	<b>(82)</b>	<b>(97,061)</b>

## Section 2c – Ferry operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Operator access fees	225	235	(10)	903	958	(55)	3,114
Activity Income	52	44	8	215	182	33	552
Other Income	63	59	4	238	242	(4)	787
NZTA operating subsidy	762	550	212	2,451	1,944	507	6,181
<b>Total operating income</b>	<b>1,102</b>	<b>888</b>	<b>214</b>	<b>3,807</b>	<b>3,326</b>	<b>481</b>	<b>10,634</b>
<b>Operating Expenditure</b>							
Personnel costs	110	92	(18)	416	369	(47)	1,063
Capitalised personnel costs	-	(2)	(2)	-	(9)	(9)	(27)
Service delivery costs and professional services	1,250	1,034	(216)	3,905	3,971	66	12,661
Other expenditure	184	289	105	918	888	(30)	2,959
<b>Total operating expenditure</b>	<b>1,544</b>	<b>1,413</b>	<b>(131)</b>	<b>5,239</b>	<b>5,219</b>	<b>(20)</b>	<b>16,656</b>
Depreciation	233	258	25	931	968	37	3,034
<b>Surplus/(deficit) from Operations</b>	<b>(675)</b>	<b>(783)</b>	<b>108</b>	<b>(2,363)</b>	<b>(2,861)</b>	<b>498</b>	<b>(9,056)</b>
Internal support costs	221	189	(32)	808	741	(67)	2,448
<b>Surplus/(deficit)</b>	<b>(896)</b>	<b>(972)</b>	<b>76</b>	<b>(3,171)</b>	<b>(3,602)</b>	<b>431</b>	<b>(11,504)</b>

## Section 2c – Other public transport operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Other Income	649	469	180	2,160	1,875	285	5,637
NZTA operating subsidy	1,891	2,040	(149)	6,602	7,725	(1,123)	22,690
<b>Total operating income</b>	<b>2,540</b>	<b>2,509</b>	<b>31</b>	<b>8,762</b>	<b>9,600</b>	<b>(838)</b>	<b>28,327</b>
<b>Operating Expenditure</b>							
Personnel costs	801	1,197	396	4,152	4,631	479	13,589
Capitalised personnel costs	(12)	(118)	(106)	(380)	(359)	21	(854)
Service delivery costs and professional services	1,639	1,787	148	5,200	6,208	1,008	19,876
IT costs	294	139	(155)	560	560	-	1,685
Other expenditure	705	761	56	2,841	2,968	127	9,097
<b>Total operating expenditure</b>	<b>3,427</b>	<b>3,766</b>	<b>339</b>	<b>12,373</b>	<b>14,008</b>	<b>1,635</b>	<b>43,393</b>
Depreciation	1,324	1,327	3	5,300	5,092	(208)	15,918
<b>Surplus/(deficit) from Operations</b>	<b>(2,211)</b>	<b>(2,584)</b>	<b>373</b>	<b>(8,911)</b>	<b>(9,500)</b>	<b>589</b>	<b>(30,984)</b>
<b>Internal support costs</b>	<b>577</b>	<b>492</b>	<b>(85)</b>	<b>2,105</b>	<b>1,930</b>	<b>(175)</b>	<b>6,377</b>
<b>Surplus/(deficit)</b>	<b>(2,788)</b>	<b>(3,076)</b>	<b>288</b>	<b>(11,016)</b>	<b>(11,430)</b>	<b>414</b>	<b>(37,361)</b>

## Section 2c – Parking operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Other income	98	64	34	392	283	109	771
Parking fees	3,616	3,777	(161)	13,562	14,091	(529)	41,265
<b>Total operating income</b>	<b>3,714</b>	<b>3,841</b>	<b>(127)</b>	<b>13,954</b>	<b>14,374</b>	<b>(420)</b>	<b>42,036</b>
<b>Operating Expenditure</b>							
Personnel costs	263	361	98	996	1,397	401	3,418
Capitalised personnel costs	6	(18)	(24)	(19)	(69)	(50)	(202)
Service delivery costs and professional services	213	287	74	861	1,179	318	3,618
Occupancy costs	523	544	21	1,952	1,901	(51)	6,033
Other expenditure	68	142	74	220	479	259	1,603
<b>Total operating expenditure</b>	<b>1,073</b>	<b>1,316</b>	<b>243</b>	<b>4,010</b>	<b>4,887</b>	<b>877</b>	<b>14,470</b>
Depreciation	535	546	11	2,181	2,290	109	6,674
<b>Surplus/(deficit) from Operations</b>	<b>2,106</b>	<b>1,979</b>	<b>127</b>	<b>7,763</b>	<b>7,197</b>	<b>566</b>	<b>20,892</b>
Internal support costs	192	164	(28)	702	644	(58)	2,127
<b>Surplus/(deficit)</b>	<b>1,914</b>	<b>1,815</b>	<b>99</b>	<b>7,061</b>	<b>6,553</b>	<b>508</b>	<b>18,765</b>

## Section 2c – Enforcement operations

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Infringement income	2,879	3,508	(629)	11,898	13,213	(1,315)	37,666
<b>Total operating income</b>	<b>2,879</b>	<b>3,508</b>	<b>(629)</b>	<b>11,898</b>	<b>13,213</b>	<b>(1,315)</b>	<b>37,666</b>
<b>Operating Expenditure</b>							
Personnel costs	905	959	54	3,339	3,653	314	10,105
Capitalised personnel costs	27	-	(27)	62	-	(62)	-
Service delivery costs and professional services	105	108	3	546	446	(100)	1,497
Other expenditure	526	610	84	2,276	2,688	412	8,258
<b>Total operating expenditure</b>	<b>1,563</b>	<b>1,677</b>	<b>114</b>	<b>6,223</b>	<b>6,787</b>	<b>564</b>	<b>19,860</b>
Depreciation	2	3	1	10	33	23	212
<b>Surplus/(deficit) from Operations</b>	<b>1,314</b>	<b>1,828</b>	<b>(514)</b>	<b>5,665</b>	<b>6,393</b>	<b>(728)</b>	<b>17,594</b>
Internal support costs	264	225	(39)	964	883	(81)	2,919
<b>Surplus/(deficit)</b>	<b>1,050</b>	<b>1,603</b>	<b>(553)</b>	<b>4,701</b>	<b>5,510</b>	<b>(809)</b>	<b>14,675</b>

## Section 2c – Roading and footpaths operations

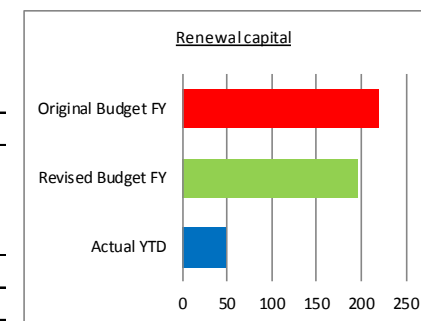
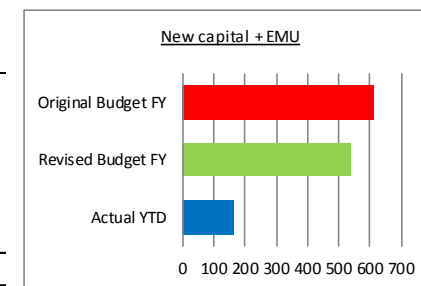
	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Petrol tax	716	750	(34)	2,879	2,870	9	8,677
Other income	280	348	(68)	1,558	1,332	226	4,016
NZTA operating subsidy	2,975	3,586	(611)	11,956	13,743	(1,787)	33,159
<b>Total operating income</b>	<b>3,971</b>	<b>4,684</b>	<b>(713)</b>	<b>16,393</b>	<b>17,945</b>	<b>(1,552)</b>	<b>45,852</b>
<b>Operating Expenditure</b>							
Personnel costs	2,193	2,054	(139)	7,482	8,131	649	23,314
Capitalised personnel costs	(334)	(470)	(136)	(677)	(1,925)	(1,248)	(5,865)
Service delivery costs and professional services	6,850	6,946	96	25,968	25,984	16	79,173
Occupancy costs	669	1,111	442	5,619	4,875	(744)	14,921
IT costs	75	168	93	26	677	651	2,037
Other expenditure	506	210	(296)	1,340	863	(477)	2,604
<b>Total operating expenditure</b>	<b>9,959</b>	<b>10,019</b>	<b>60</b>	<b>39,758</b>	<b>38,605</b>	<b>(1,153)</b>	<b>116,184</b>
Depreciation	18,292	18,362	70	72,703	71,732	(971)	221,881
<b>Surplus/(deficit) from Operations</b>	<b>(24,280)</b>	<b>(23,697)</b>	<b>(583)</b>	<b>(96,068)</b>	<b>(92,392)</b>	<b>(3,676)</b>	<b>(292,213)</b>
Internal support costs	1,544	1,318	(226)	5,637	5,167	(470)	17,075
<b>Surplus/(deficit)</b>	<b>(25,824)</b>	<b>(25,015)</b>	<b>(809)</b>	<b>(101,705)</b>	<b>(97,559)</b>	<b>(4,146)</b>	<b>(309,288)</b>

## Section 2c – Internal support

	Current month			Year to date			Full year
	Actual \$000	Budget \$000	Variance \$000	Actual \$000	Budget \$000	Variance \$000	Budget \$000
<b>Operating Income</b>							
Other income	1,300	975	325	4,246	4,096	150	13,002
NZTA operating subsidy	795	1,079	(284)	3,089	3,624	(535)	9,964
<b>Total operating income</b>	<b>2,095</b>	<b>2,054</b>	<b>41</b>	<b>7,335</b>	<b>7,720</b>	<b>(385)</b>	<b>22,966</b>
<b>Operating Expenditure</b>							
Personnel costs	6,402	5,802	(600)	24,215	22,368	(1,847)	65,521
Capitalised personnel costs	(1,870)	(2,031)	(161)	(7,763)	(7,860)	(97)	(23,053)
Directors Fees	42	32	(10)	187	131	(56)	504
Service delivery costs and professional services	1,413	1,824	411	5,209	6,803	1,594	21,437
Other expenditure	2,176	1,636	(540)	8,417	6,602	(1,815)	24,237
<b>Total operating expenditure</b>	<b>8,163</b>	<b>7,263</b>	<b>(900)</b>	<b>30,265</b>	<b>28,044</b>	<b>(2,221)</b>	<b>88,646</b>
Depreciation	1,010	831	(179)	2,906	3,357	451	12,574
Taxation	-	-	-	-	-	-	-
<b>Surplus/(deficit) before allocation of costs</b>	<b>(7,078)</b>	<b>(6,040)</b>	<b>(1,038)</b>	<b>(25,836)</b>	<b>(23,681)</b>	<b>(2,155)</b>	<b>(78,254)</b>
Internal support costs	(7,078)	(6,040)	1,038	(25,836)	(23,681)	2,155	(78,254)
<b>Total internal support allocation</b>	<b>(7,078)</b>	<b>(6,040)</b>	<b>1,038</b>	<b>(25,836)</b>	<b>(23,681)</b>	<b>2,155</b>	<b>(78,254)</b>
<b>Surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Section 3a – Summary of Capital Expenditure Split by activity

	Current month			Year to date				Full year		
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Results Achieved	Revised Budget \$000	Original Budget \$000	Variance \$000
<b>New capital expenditure</b>										
Roads and footpaths	10,504	11,256	752	47,289	48,041	752	●	176,691	235,231	58,540
Public transport (includes CRL)	11,571	10,995	(576)	41,914	41,338	(576)	●	125,536	147,614	22,078
Parking operations	51	194	143	257	401	144	●	8,229	6,185	(2,044)
Internal support	1,812	804	(1,008)	6,499	5,490	(1,009)	●	12,392	9,154	(3,238)
<b>Total new capital</b>	<b>23,938</b>	<b>23,249</b>	<b>(689)</b>	<b>95,959</b>	<b>95,270</b>	<b>(689)</b>	●	<b>322,848</b>	<b>398,184</b>	<b>75,336</b>
<b>Renewal capital expenditure</b>										
Roads and footpaths	19,149	19,143	(6)	47,993	47,986	(7)	●	188,271	207,609	19,338
Public transport	130	224	94	661	756	95	●	4,850	9,210	4,360
Parking operations	80	42	(38)	148	110	(38)	●	2,200	2,869	669
<b>Total renewal</b>	<b>19,359</b>	<b>19,409</b>	<b>50</b>	<b>48,802</b>	<b>48,852</b>	<b>50</b>	●	<b>195,321</b>	<b>219,688</b>	<b>24,367</b>
<b>Electric multiple units (EMUs)</b>										
Procurement	25,825	21,242	(4,583)	68,859	64,276	(4,583)	●	214,237	215,163	926
Depot	20	35	15	231	246	15	●	997	-	(997)
<b>Total EMUs</b>	<b>25,845</b>	<b>21,277</b>	<b>(4,568)</b>	<b>69,090</b>	<b>64,522</b>	<b>(4,568)</b>	●	<b>215,234</b>	<b>215,163</b>	<b>(71)</b>
<b>Total direct capital</b>	<b>69,142</b>	<b>63,935</b>	<b>(5,207)</b>	<b>213,851</b>	<b>208,644</b>	<b>(5,207)</b>	●	<b>733,403</b>	<b>833,035</b>	<b>99,632</b>
Vested assets	35	-	(35)	43,038	43,003	(35)	●	43,003	-	(43,003)
<b>Total capital</b>	<b>69,177</b>	<b>63,935</b>	<b>(5,242)</b>	<b>256,889</b>	<b>251,647</b>	<b>(5,242)</b>	●	<b>776,406</b>	<b>833,035</b>	<b>56,629</b>



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

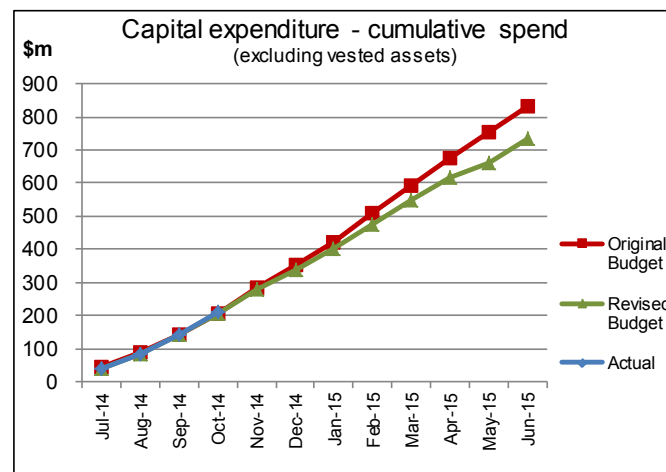
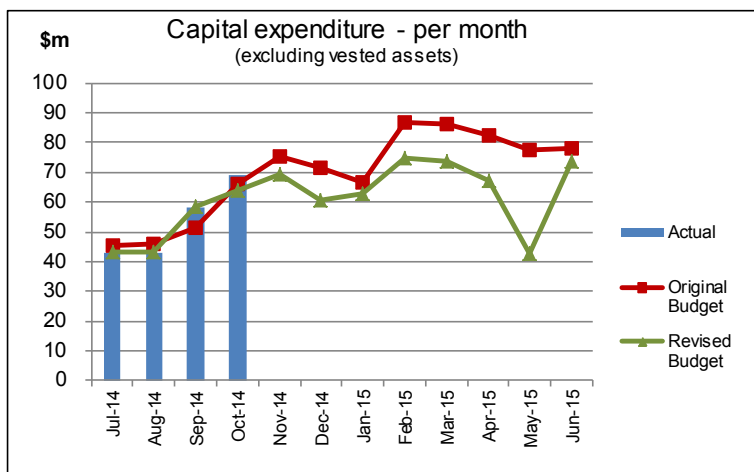
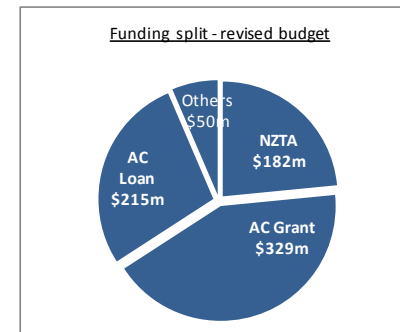


## Section 3b – Summary of Capital Expenditure Split by category

	Current month			Year to date			Full year		
	Actual \$000	Revised Budget \$000	Variance \$000	Actual \$000	Revised Budget \$000	Variance \$000	Revised Budget \$000	Original Budget \$000	Variance \$000
<b>Core capital expenditure</b>									
<b>New capital</b>									
Capital land acquisition	2,565	3,652	1,087	11,844	12,932	1,088	35,391	65,816	30,425
Roads and footpaths	7,867	7,447	(420)	34,929	34,510	(419)	131,017	161,383	30,366
Public transport	3,325	2,820	(505)	8,706	8,201	(505)	46,762	76,239	29,477
Parking operations	51	194	143	257	401	144	8,229	6,185	(2,044)
Internal support	1,787	804	(983)	6,414	5,429	(985)	12,345	9,154	(3,191)
<b>Total new capital core expenditure</b>	<b>15,595</b>	<b>14,917</b>	<b>(678)</b>	<b>62,150</b>	<b>61,473</b>	<b>(677)</b>	<b>233,744</b>	<b>318,777</b>	<b>85,033</b>
<b>Renewal</b>									
Roads and footpaths	19,149	19,143	(6)	47,993	47,986	(7)	188,271	207,609	19,338
Public transport	130	224	94	661	756	95	4,850	9,210	4,360
Parking operations	80	42	(38)	148	110	(38)	2,200	2,869	669
<b>Total renewal core expenditure</b>	<b>19,359</b>	<b>19,409</b>	<b>50</b>	<b>48,802</b>	<b>48,852</b>	<b>50</b>	<b>195,321</b>	<b>219,688</b>	<b>24,367</b>
<b>Total core capital expenditure</b>	<b>34,954</b>	<b>34,326</b>	<b>(628)</b>	<b>110,952</b>	<b>110,325</b>	<b>(627)</b>	<b>429,065</b>	<b>538,465</b>	<b>109,400</b>
<b>Ring fenced capital expenditure</b>									
City Rail Link- others	3,544	3,453	(91)	12,112	12,020	(92)	35,592	34,365	(1,227)
City Rail Link- land	4,637	4,658	21	20,837	20,858	21	41,470	35,410	(6,060)
EMU depot	20	35	15	231	246	15	997	-	(997)
EMU procurement	25,825	21,242	(4,583)	68,859	64,276	(4,583)	214,237	215,163	926
Local Board initiatives	96	105	9	556	565	9	9,973	7,832	(2,141)
Others	66	116	50	304	354	50	2,069	1,800	(269)
<b>Total ring fenced capital expenditure</b>	<b>34,188</b>	<b>29,609</b>	<b>(4,579)</b>	<b>102,899</b>	<b>98,319</b>	<b>(4,580)</b>	<b>304,338</b>	<b>294,570</b>	<b>(9,768)</b>
<b>Total direct capital excluding vested assets</b>	<b>69,142</b>	<b>63,935</b>	<b>(5,207)</b>	<b>213,851</b>	<b>208,644</b>	<b>(5,207)</b>	<b>733,403</b>	<b>833,035</b>	<b>99,632</b>
Vested assets	35	-	(35)	43,038	43,003	(35)	43,003	-	(43,003)
<b>Total capital</b>	<b>69,177</b>	<b>63,935</b>	<b>(5,242)</b>	<b>256,889</b>	<b>251,647</b>	<b>(5,242)</b>	<b>776,406</b>	<b>833,035</b>	<b>56,629</b>

## Section 3c – Capital Expenditure Funding

	Current month			Year to date			Full year		
	Actual	Revised Budget	Variance	Actual	Revised Budget	Variance	Revised Budget	Original Budget	Variance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Funding</b>									
NZTA - new capital	4,926	3,272	1,654	13,694	12,041	1,653	103,831	103,831	-
NZTA - renewal capital	9,581	9,351	230	20,852	20,622	230	78,087	78,087	-
AC funding (Non EMU)	11,208	11,208	-	44,834	44,834	-	134,501	134,501	-
Investment by AC	17,582	18,827	(1,245)	58,345	59,589	(1,244)	194,714	301,453	(106,739)
AC loan (EMU)	25,845	21,277	4,568	69,090	64,522	4,568	215,234	215,163	71
Vested assets	35	-	35	43,038	43,003	35	43,003	-	43,003
Sale of assets	-	-	-	7,036	7,036	-	7,036	-	7,036
<b>Total funding</b>	<b>69,177</b>	<b>63,935</b>	<b>5,242</b>	<b>256,889</b>	<b>251,647</b>	<b>5,242</b>	<b>776,406</b>	<b>833,035</b>	<b>(56,629)</b>



## Section 4a – Statement of Financial Position As at 31 October 2014

	Note	Actual 31 October 2014 \$000	Actual 30 September 2014 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	8,523	7,233
Trade and other receivables	2	164,038	167,077
Inventories		3,942	3,953
Other assets		13,288	18,233
Non-current asset held for sale		5,000	5,000
<b>Total current assets</b>		<b>194,791</b>	<b>201,496</b>
<b>Non-current assets</b>			
Property, plant and equipment - assets		15,401,660	15,347,441
Property, plant and equipment - work-in-progress		574,558	580,918
Intangible assets		109,550	114,087
Amounts due from related parties		52,000	52,000
<b>Total non-current assets</b>		<b>16,137,768</b>	<b>16,094,446</b>
<b>Total assets</b>		<b>16,332,559</b>	<b>16,295,942</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	3	15,719	16,690
Trade and other payables	4	157,407	164,486
Employee benefit liabilities	5	10,534	13,449
Borrowings	6	3,326	3,330
<b>Total current liabilities</b>		<b>186,986</b>	<b>197,955</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	3	9,590	8,529
Employee benefit liabilities	5	745	745
Borrowings	6	411,847	390,128
Deferred tax liability	7	10,888	10,888
<b>Total non-current liabilities</b>		<b>433,070</b>	<b>410,290</b>
<b>Total liabilities</b>		<b>620,056</b>	<b>608,245</b>
<b>Net assets</b>		<b>15,712,503</b>	<b>15,687,697</b>
<b>Equity</b>			
Contributed equity		13,284,645	13,260,071
Retained earnings/(losses)		453,245	453,982
Reserves		1,974,613	1,973,644
<b>Total equity</b>		<b>15,712,503</b>	<b>15,687,697</b>

## Section 4b – Notes to the Financial Statements As at 31 October 2014

	Actual 31 October 2014 \$000	Actual 30 September 2014 \$000
<b>1 Cash and cash equivalents</b>		
Cash at bank - Trading	8,246	6,956
Till floats	277	277
<b>Total cash and cash equivalents</b>	<b>8,523</b>	<b>7,233</b>

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

### 2 Trade and other receivables

Trade debtors	3,360	3,019
Finance lease receivable	92	93
Infringements receivable	19,716	19,503
Amounts due from related parties	99,332	110,908
Accrued income	34,100	28,084
Goods and services tax	8,617	6,649
	<b>165,217</b>	<b>168,256</b>
Less provision for impairment of receivables	(1,179)	(1,179)
<b>Total trade and other receivables</b>	<b>164,038</b>	<b>167,077</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 October 2014 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	144,938	-	144,938
Past due 1 - 30 days	2,519	-	2,519
Past due 31 - 60 days	1,520	-	1,520
Past due 61 - 90 days	1,498	-	1,498
Past due > 90 days	14,742	(1,179)	13,563
	<b>165,217</b>	<b>(1,179)</b>	<b>164,038</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 2014	1,179
Additional provisions made	-
Provisions reversed	-
Receivables written-off	-
<b>At 31 October 2014</b>	<b>1,179</b>

## Section 4b – Notes to the Financial Statements As at 31 October 2014

	Actual 31 October 2014 \$000	Actual 30 September 2014 \$000
<b>3 Derivative financial instruments</b>		
<b>Current liability portion</b>		
Forward foreign exchange contracts - cash flow hedges	15,719	16,690
Forward foreign exchange contracts - not hedge accounted	-	-
<b>Current derivative financial instruments</b>	<b>15,719</b>	<b>16,690</b>
<b>Non-current liability portion</b>		
Interest rate swaps - cash flow hedges	9,532	8,474
Forward foreign exchange contracts - cash flow hedges	58	55
<b>Non-current derivative financial instruments</b>	<b>9,590</b>	<b>8,529</b>
<b>Total derivative financial instrument liabilities</b>	<b>25,309</b>	<b>25,219</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 - hedge accounted*

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$173m. The foreign currency principal amount was USD \$121m. These cash flow hedges have been accounted for as effective and the gain of \$25.6m 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 \$159m. At 31 October 2014 the fixed interest rates of cash flow hedge interest rate swaps varied from 5.27% to 5.41%. The loss on their revaluation of \$4.6m has been recorded in the Statement of Financial Performance.

## 4 Trade and other payables

Creditors	17,399	30,802
Accrued expenses	118,580	108,979
Retentions	6,147	5,888
Amounts due to related parties	15,165	17,091
Income in advance	116	1,726
	<b>157,407</b>	<b>164,486</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.

## Section 4b – Notes to the Financial Statements As at 31 October 2014

	Actual 31 October 2014 \$000	Actual 30 September 2014 \$000
<b>5 Employee benefit liabilities</b>		
<b>Current portion</b>		
Accrued salaries and wages	2,194	5,224
Accrued leave	8,340	8,225
<b>Current employee benefit liabilities</b>	<b>10,534</b>	<b>13,449</b>
<b>Non-current portion</b>		
Retirement gratuities	383	383
Long service leave	362	362
<b>Non-current employee benefit liabilities</b>	<b>745</b>	<b>745</b>

## 6 Borrowings

<b>Current portion</b>		
Loans from Auckland Council	3,272	3,274
Finance Leases	54	56
<b>Current borrowings</b>	<b>3,326</b>	<b>3,330</b>
<b>Non-current portion</b>		
Loans from Auckland Council	411,839	390,117
Finance Leases	8	11
<b>Non-current borrowings</b>	<b>411,847</b>	<b>390,128</b>

Weighted average cost of funds on total borrowings 5.69% 5.66%

Auckland Transport's loan debt of \$415m is issued at fixed rates of interest ranging from 3.87% to 6.22%. The interest rate on finance leases is 3%.

## 7 Deferred tax liability

	Property, plant and equipment \$000	Other provisions \$000	Tax losses \$000	Actual 31 October 2014 Total \$000
<b>Deferred tax liability</b>				
Balance at 1 July 2014	(10,888)	-	-	(10,888)
Charged to profit and loss		-	-	-
Charged to equity		-	-	-
<b>Balance at 31 October 2014</b>	<b>(10,888)</b>	<b>-</b>	<b>-</b>	<b>(10,888)</b>

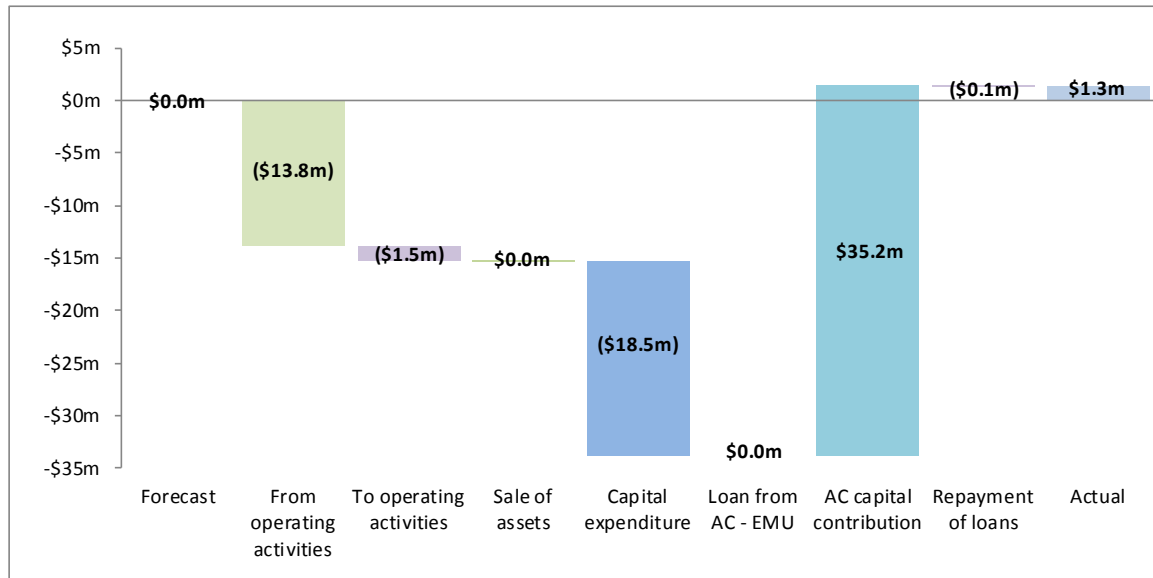
## Section 5a – Cash Flow Rolling Forecast

	Current month		Forecast		
	Actual \$000	Forecast \$000	Nov 2014 \$000	Dec 2014 \$000	Jan 2015 \$000
<b>Cash flows from operating activities</b>					
Total cash provided	67,878	81,692	81,668	77,546	77,192
<b>Cash applied to:</b>					
Payments to suppliers, employees and directors	53,742	51,780	50,523	48,818	48,059
Interest paid	1,533	2,029	2,072	2,258	2,372
Goods and services tax (net)	-	-	-	-	-
<b>Total cash applied</b>	<b>55,275</b>	<b>53,809</b>	<b>52,595</b>	<b>51,077</b>	<b>50,431</b>
<b>Net cash from operating activities</b>	<b>12,603</b>	<b>27,883</b>	<b>29,073</b>	<b>26,469</b>	<b>26,761</b>
<b>Cash flows from investing activities</b>					
<b>Cash provided from:</b>					
Sale of property, plant and equipment	13	-	-	-	-
<b>Total cash provided</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash applied to:</b>					
Capital expenditure projects	69,702	51,206	63,936	69,598	60,795
<b>Total cash applied</b>	<b>69,702</b>	<b>51,206</b>	<b>63,936</b>	<b>69,598</b>	<b>60,795</b>
<b>Net cash from investing activities</b>	<b>(69,689)</b>	<b>(51,206)</b>	<b>(63,936)</b>	<b>(69,598)</b>	<b>(60,795)</b>
<b>Cash flows from financing activities</b>					
<b>Cash provided from:</b>					
Loan from Auckland Council - EMU	22,000	22,000	25,000	27,000	12,000
Capital contribution from Auckland Council	36,659	1,477	10,097	16,302	22,207
<b>Total cash provided</b>	<b>58,659</b>	<b>23,477</b>	<b>35,097</b>	<b>43,302</b>	<b>34,207</b>
<b>Cash applied to:</b>					
Repayments of EMU loan from Auckland Council	279	140	220	159	159
Repayments of finance lease principal	4	14	14	14	14
<b>Total cash applied</b>	<b>283</b>	<b>154</b>	<b>234</b>	<b>173</b>	<b>173</b>
<b>Net cash from financing activities</b>	<b>58,376</b>	<b>23,323</b>	<b>34,863</b>	<b>43,129</b>	<b>34,034</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>1,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening cash balance	7,233	-	-	-	-
<b>Closing cash balance</b>	<b>8,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities</b>	
	<b>Current month \$000</b>
<b>Surplus/(deficit) after tax</b>	<b>(735)</b>
<b>Add/(less) non cash items</b>	
Depreciation and amortisation	23,788
Vested assets	(35)
Found assets	(410)
Loss on disposal of property, plant and equipment	2,463
Loss on asset write off	-
Revaluation decrement	-
Foreign exchange gains	-
Loss on interest rate sw aps	1,059
Income tax	-
	<b>26,865</b>
<b>Add/(less) movements in working capital</b>	
Decrease/(Increase) in debtors and other receivables	31,773
Decrease/(Increase) in inventories	11
(Decrease)/Increase in creditors and other payables	(5,738)
(Decrease)/Increase in employee benefits payable	(2,914)
(Decrease)/Increase in investment funding from AC	(36,659)
	<b>(13,527)</b>
<b>Net cash flow from operating activities</b>	<b>12,603</b>

## Section 5b – Cash Flow Waterfall

### Cash flow – Current month forecast to actual





## Section 6 – Accounts Receivable Report

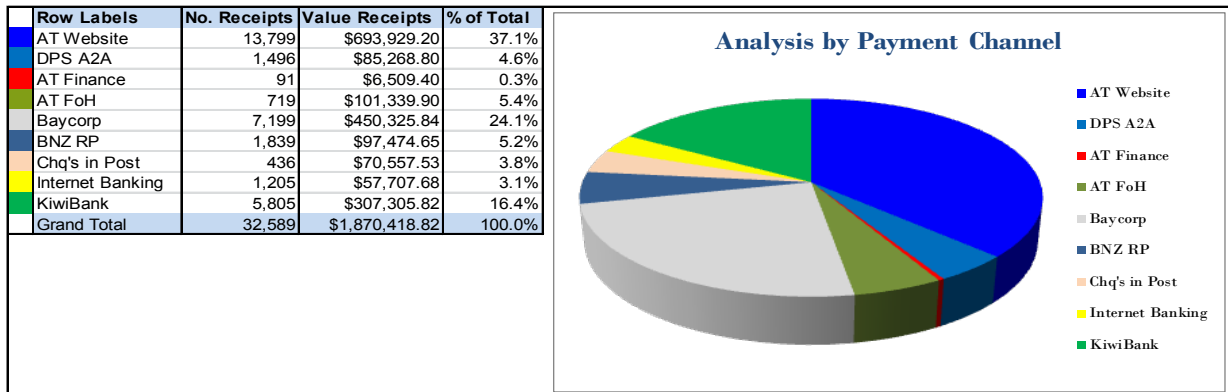
### Accounts Receivable

An overview of the Debtors as at 31 October has 99% (85% August) of adjusted Debtors in 30 and 60 days, or not yet due.

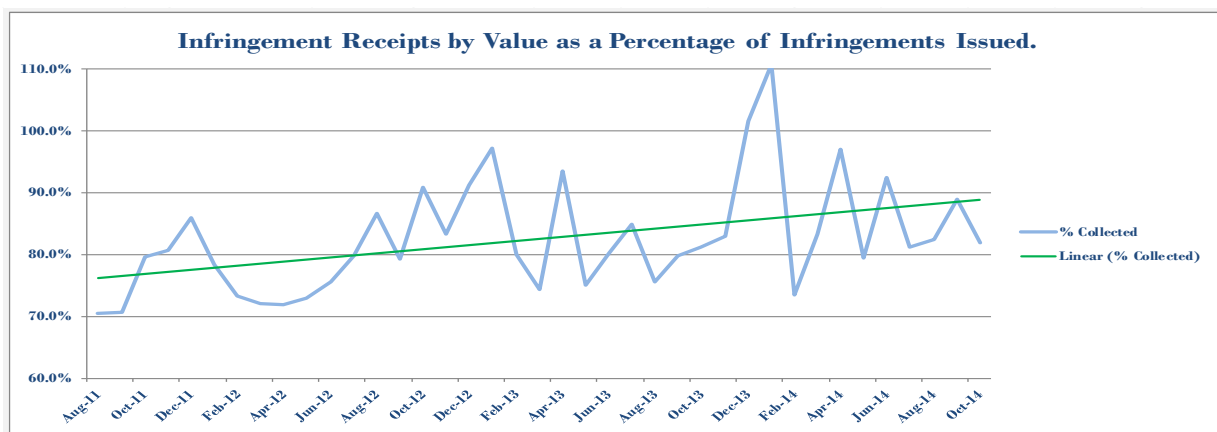
<u>Debtors Ageing Analysis as at 31 October 2014</u>									
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>Not Yet Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
Debtors Ageing 31 Oct		3,644,289	1,596,978	466,453	34,326	123,524	65,475	1,357,533	1
Parking Permit Debtors		23,447	1,076	11,540	8,567	2,054	210	0	2
<b>Total Debtors</b>		<b>3,667,736</b>	<b>1,598,054</b>	<b>477,993</b>	<b>42,893</b>	<b>125,578</b>	<b>65,685</b>	<b>1,357,533</b>	
		100.0%	43.6%	13.0%	1.2%	3.4%	1.8%	37.0%	
O/s Related Parties	12	254,895	234,530	2,685	4,056	3,581	3,443	6,600	3
<b>Trade Debtors</b>	<b>116</b>	<b>3,412,841</b>	<b>1,363,524</b>	<b>475,309</b>	<b>38,838</b>	<b>121,997</b>	<b>62,241</b>	<b>1,350,933</b>	
		100.0%	40.0%	13.9%	1.1%	3.6%	1.8%	39.6%	
Queried Invoices	290	349,458	273	195,068	10,989	7,994	7,060	128,072	4
Cell Sites - Property	471	1,216,709	0	0	10,009	107,881	541	1,098,277	5
To Baycorp (Collection)	542	22,645	0	0	840	1,254	1,126	19,425	6
Payment Arrangement	54	18,076	0	0	13,605	1,754	2,718	0	7
Lodged Courts (Damages)	239	270,568	111,989	1,271	2,342	0	50,516	104,450	8
<b>Adjusted Debtors</b>	<b>N/a</b>	<b>1,535,387</b>	<b>1,251,262</b>	<b>278,969</b>	<b>1,054</b>	<b>3,113</b>	<b>281</b>	<b>708</b>	
		100.0%	81.5%	18.2%	0.1%	0.2%	0.0%	0.0%	

- 1 - Sundry Debtors administered in the SAP system.
- 2 - Parking Permit Debtors administered in the Pathway system. These permits are for on street permits issued. Amounts not collected within 60 days are lodged with Baycorp for collection.
- 3 - Inter-Council Group debts.
- 4 - Relates to invoices which have been queried or disputed by customers. The AR Team and various AT Departments are engaged in an effort to resolve these queries. The issues previously reported on around a group of apartments disputing parking charges with Property has been resolved and we have started receiving the outstanding funds. An invoice levied against one of the ferry operators has been queried and is being handled by PT Operations.
- 5 - Relates to the ongoing cell sites dispute. Two of the four accounts in dispute have been resolved and discussions have started to achieve resolution on the remaining Telco's. The balance owing by the Telco's has been fully impaired as at 30 June 2014 and may be written off in the future. Legal opinion has been sought and negotiations continue.
- 6 - Relates to accounts lodged with Baycorp for collection. All these amounts have been impaired in full and some may be written off in the future. All amounts written off are approved by the CFO in accordance with policy.
- 7 - Relates to customers where an arrangement to pay has been agreed to. These are monitored until full payment has been received.
- 8 - Relates to matters where AT is recovering damages from road accidents investigated by the Police. Many of the matters are being paid off at a nominal amount per week as instructed by the Courts.

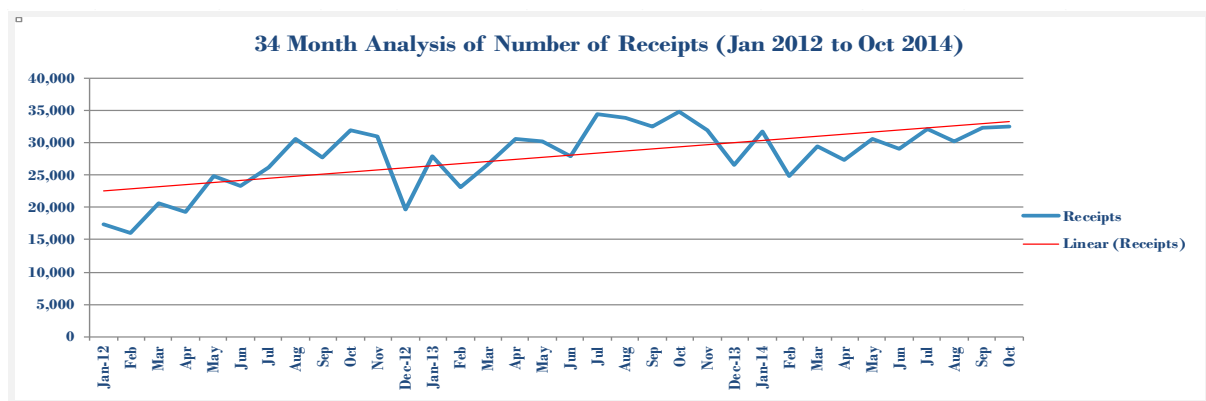
## Infringement Overview



October's Infringement receipts by volume are 0.7% up on September (22 working days in October compared with 22 in September). While the shape of the graph has not changed significantly, we have seen a drop in the number of customer's making use of the internet banking and KiwiBank payment channels. Cheques being posted to AT and customers making use of AC FoH have increased marginally. Of those customers not paying in response to a Baycorp letter of demand, 65% are making use of our electronic payment methods (63% in September).



The graph above includes all receipts through AT, Baycorp and MOJ but excludes legacy receipts. Infringements issued rose by 3.1% in October when compared with September. The trend line clearly shows improved collection rates over the 3 year period.

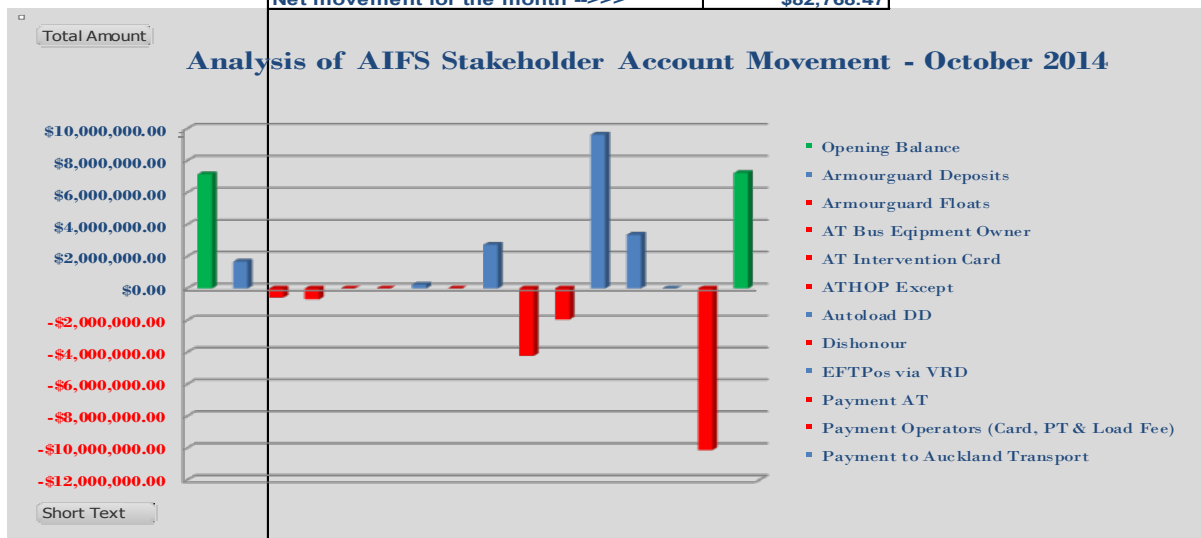


## Section 7 – AIFS Stakeholder Monthly Report (Does not form part of AT results)

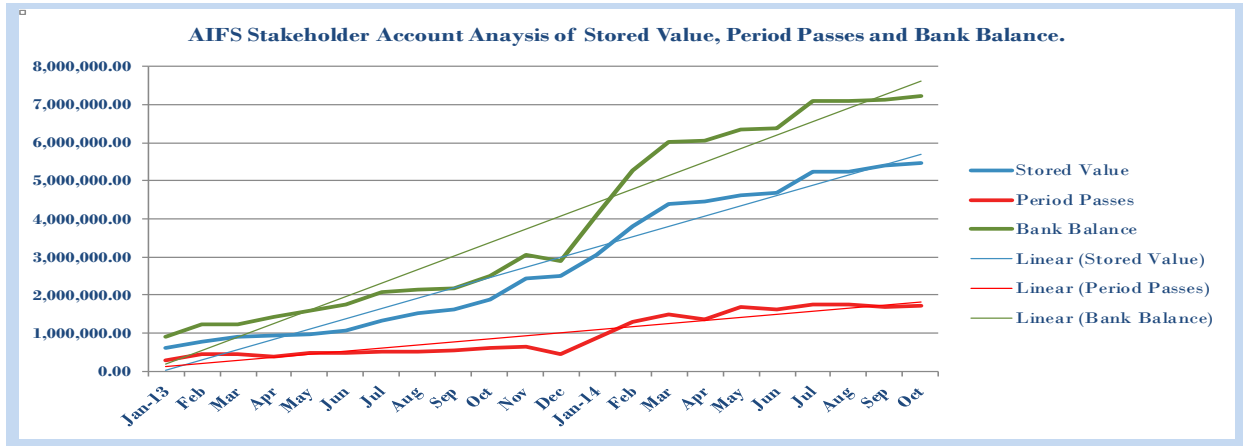
The AT HOP Stakeholder bank account has increased by 1.2% in October.

### Analysis of AIFS Stakeholder Account Movement - October 2014




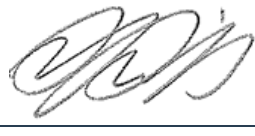
Row Labels	Total Amount
Opening Balance	\$7,144,452.84
Armourguard Deposits	\$1,680,208.70
Armourguard Floats	-\$568,785.20
AT Bus Equipment Owner	-\$680,163.00
AT Intervention Card	-\$5,032.50
ATHOP Except	-\$1,558.39
Autoload DD	\$245,435.20
Dishonour	-\$4,120.00
EFTPos via VRD	\$2,734,042.37
Payment AT	-\$4,224,365.36
Payment Operators (Card, PT & Load Fee)	-\$1,951,197.12
Payment to Auckland Transport	\$9,627,073.01
Payment via Merchant Number	\$3,356,519.23
PT Product Sales Reversal	\$3,112.24
Settlement to Operators	-\$10,128,400.71
Closing Balance	\$7,227,221.31
<b>Net movement for the month --&gt;&gt;&gt;</b>	<b>\$82,768.47</b>



The following graph provides an overview of monthly balances for Stored Value, Period Passes and the AT HOP Stakeholder Account together with trend lines. The Stakeholder Account, Stored Value and Period Passes have increased by 1.2%, 0.9% and 1.3% respectively in September. Period Passes over the past 9 months have maintained a share of 25% of the Stakeholder Account.



## Document ownership

Submitted by	Harlem Cabuhat <b>Reporting Accountant</b>	
	Susan Cairns <b>Senior Financial Reporting Accountant</b>	
Recommended by	Julian Michael <b>Financial Reporting Manager</b>	
	Stephen Smith <b>Finance Manager</b>	
Approved for Submission	Richard Morris <b>Chief Financial Officer</b>	