

# Financial Results for the Eight Months Ended 28 February 2013

This report summarises the Auckland Transport financial results for the eight months ended 28 February 2013.

## Table of Contents









1. Executive Summary
2. Statement of Financial Performance
  - 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. Funding ([section 3b](#))
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/Payable ([section 6](#))
7. Purchasing report ([section 7](#))

# Executive Summary

## Financial Results for the eight months ended 28 February 2013:

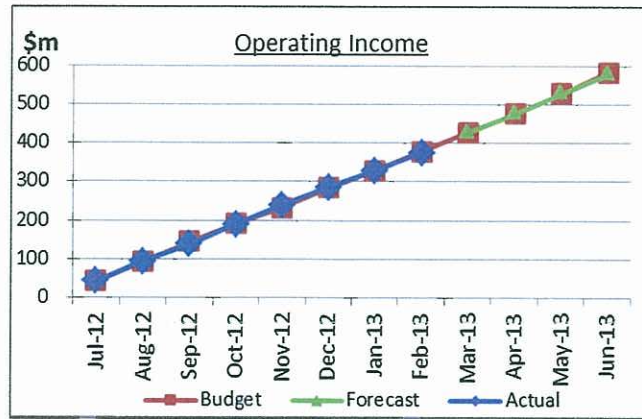
	Current month variance to Forecast \$m	Year to date variance to Forecast \$million	Year to date results		Year to date Actual \$million	Year to date Forecast \$million	Full year Forecast \$m	Full Year Budget \$million
Total operating income	(3.4)	(4.4)	↓	●	374.6	378.9	578.7	583.6
Total operating expenditure	16.4	16.5	↓	●	530.0	546.5	844.3	824.2
Surplus/(deficit) from operations	13.0	12.1	↓	●	(155.5)	(167.6)	(265.6)	(240.6)
Income for capital projects	(6.9)	4.2	↑	●	580.9	576.7	677.2	243.0
Net surplus/(deficit) before tax	6.1	16.3	↑	●	425.4	409.0	411.6	2.4
Total capital expenditure	21.6	20.7	↑	●	780.4	801.1	1,085.5	719.8

### Key to symbols used:

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

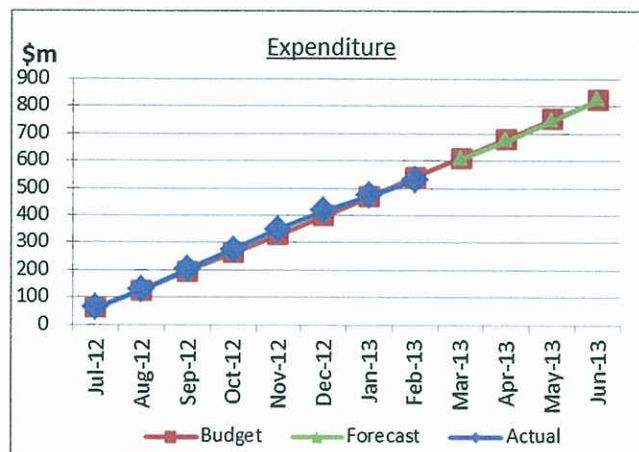
**Net surplus before tax year to date** is \$425.4m. This \$16.3m favourable. The surplus reflects the vested assets which were not reflected in the budget but are reflected in the forecasts. After allowing for this non cash item and for favourable variances in Income for Capital projects there is a favourable variance of \$12.1m. \$8.2m of that variance relates to a favourable variance from derivatives which are in place for capital programmes and will be funded from the capital programme and a further \$8.9m is due to depreciation charges reflecting a more correct treatment of renewal works.

After allowing for these capital and non cash items the net operating result YTD is unfavourable by \$4.9m. This is mainly due to lower revenue than forecast. Further analysis of the financial information reveals that a significant portion of the variance will be covered by the expenditure in the remaining months of the year. Forecasts show that expenditure will reduce to match the funding available. Extrapolation of the current spending and revenue patterns for the balance of the year indicate a result of +/- \$500k. Continued diligence in managing revenue and expenditure will result in the organisation achieving a result in line with the funding provided.



**Total operating income year to date** is \$4.4m unfavourable to forecast. This is mainly due to:

- lower than forecast parking income of \$5.0m as the forecast included on-street parking initiatives: to increase tariffs and the number of parking spaces, which have not been implemented,
- lower than forecast rail income \$1.3m and NZTA operational income \$2.6m,
- partly offset by \$3.2m unforecast reimbursement of street maintenance costs from Auckland Council and additional rental income of \$1.0m.



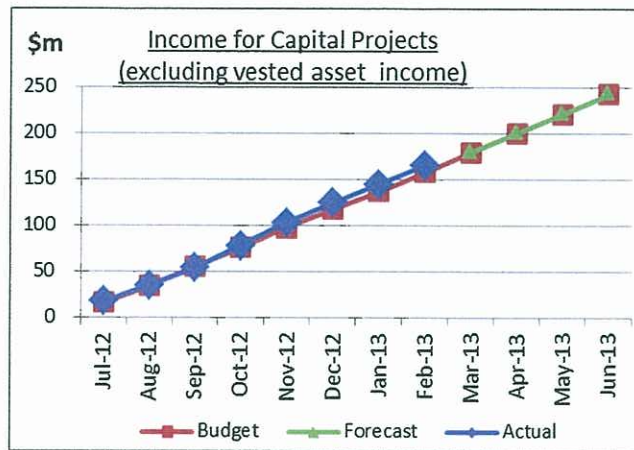
**Total operating expenditure year to date** is below forecast by \$16.5m mainly due to:

- \$8.2m favourable variance is due to an unrealised interest rate swap gain of \$9.7m partly offset by higher than forecast realised interest rate swaps loss of \$1.5m,
- \$7.6m lower than forecast expenditure on Public Transport facilities.
- \$2.2m lower than forecast expenditure on Parking activities due to savings from court lodgement fees, staff vacancies and lower than forecast maintenance costs,

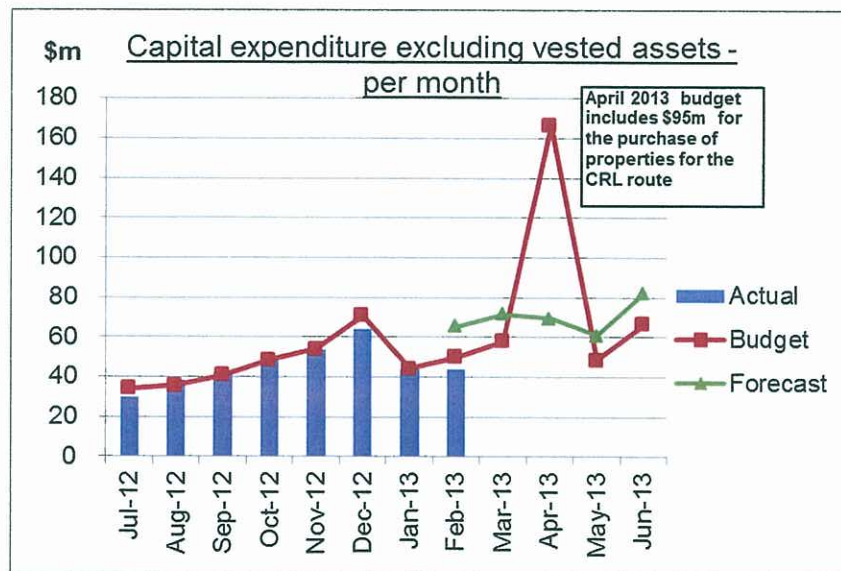
Partly offset by:

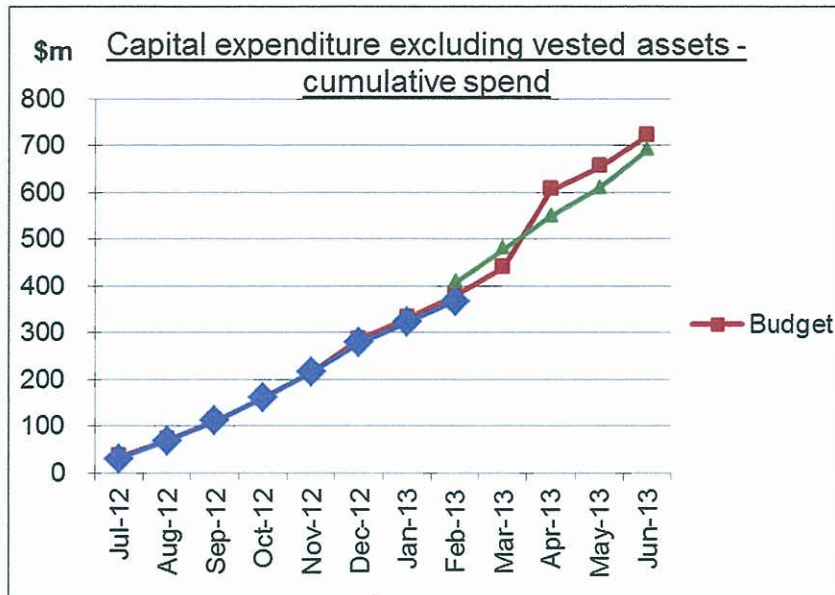
- Roothing unfavourable expenditure variance of \$1.0m which includes costs forecast in future months \$4.7m, costs funded by recoveries from Auckland

Council \$3.2m and loss on disposal of assets \$1.2m partly offset by lower than forecast roading depreciation of \$8.1m.



**Income for capital projects year to date** is higher than forecast by \$4.2m due to higher than forecast vested asset income of \$19.5m partly offset by \$15.3m NZTA capital funding.





**Capital expenditure, excluding vested assets, year to date** was \$366.0m, which is \$40.3m lower than forecast due to new capital expenditure of \$24.4m and renewal capital expenditure \$7.7m and delayed spending on the EMU project of \$8.1m.

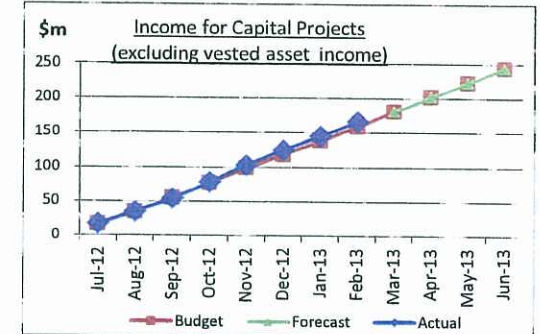
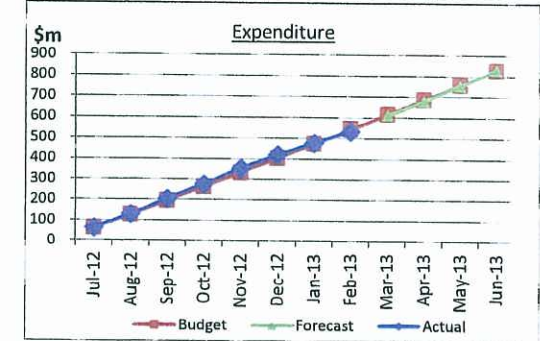
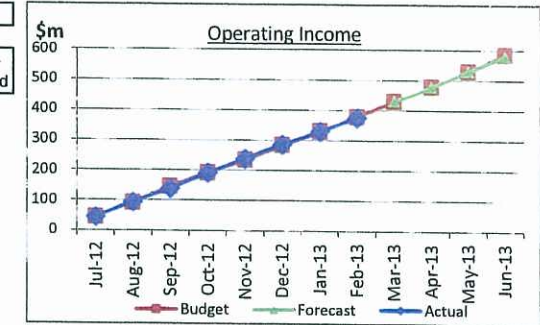
Capital expenditure is forecast to be under the full year budget by \$29.2m mainly due to the reduction of \$66.5m in land purchase costs in the CRL project partly offset by an increase of \$27m in AIFS and \$15.8m in NORSGA and AMETI projects. The total forecast programme for the year to June 2013 is \$690.6m.

The **asset position** is sound with net assets of \$14.1 billion at the end of February and cash flow funding arrangements are in place to ensure all liabilities can be met.

## Section 2a - Statement of Financial Performance for the eight months ended 28 February 2013

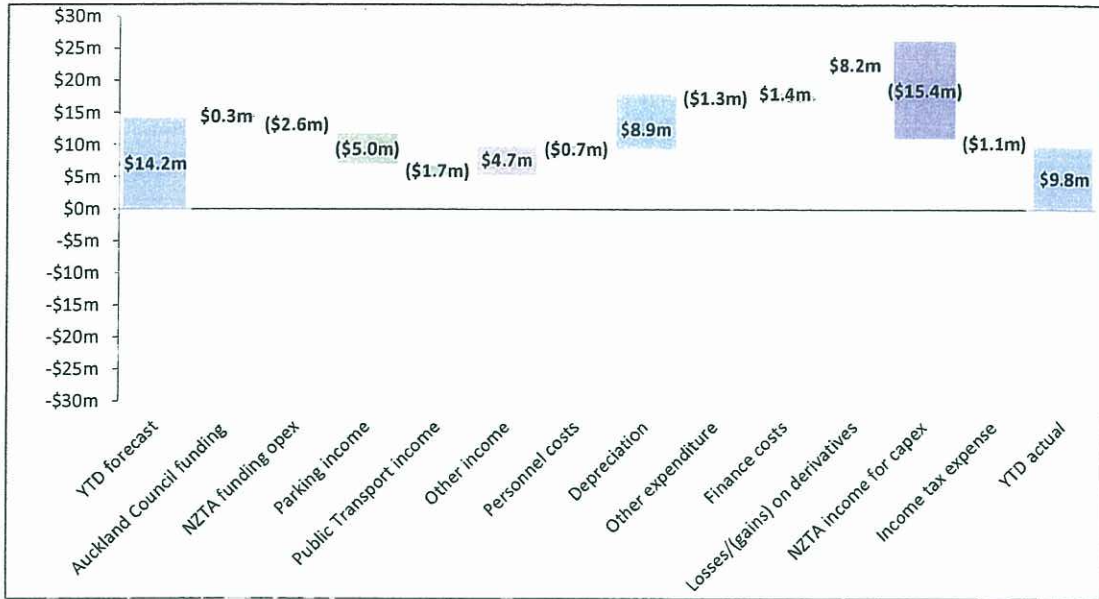
	Current month			Year to date			Results achieved	Full year				Results achieved
	Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000		Forecast \$000	Budget \$000	Variance \$000		
<b>Income</b>												
<u>Operating income</u>												
Auckland Council funding	17,986	17,946	40	143,888	143,565	323	●	222,347	215,347	7,000	●	
NZ Transport Agency	15,497	18,183	(2,686)	139,410	142,048	(2,638)	●	210,291	209,075	1,216	●	
Parking and enforcement income	4,742	7,298	(2,556)	43,117	48,104	(4,987)	●	77,971	79,946	(1,975)	●	
Public transport income	3,854	3,746	108	29,656	31,397	(1,741)	●	48,229	60,180	(11,951)	●	
Other revenue including other grants and subsidies	3,182	1,515	1,667	18,480	13,799	4,681	●	19,864	19,078	786	●	
<b>Total operating income</b>	<b>45,261</b>	<b>48,688</b>	<b>(3,427)</b>	<b>374,551</b>	<b>378,913</b>	<b>(4,362)</b>	●	<b>578,702</b>	<b>583,626</b>	<b>(4,924)</b>	●	
<u>Expenditure</u>												
Personnel costs	7,602	8,327	725	62,126	63,752	1,626	●	99,960	95,710	(4,250)	●	
Capitalised personnel costs	(2,116)	(1,882)	234	(14,663)	(16,994)	(2,331)	●	(24,669)	(26,310)	(1,641)	●	
Depreciation and amortisation expense	14,160	22,150	7,990	162,491	171,400	8,909	●	260,000	240,615	(19,385)	●	
Other expenses	37,493	42,615	5,122	318,089	316,818	(1,271)	●	492,782	501,965	9,183	●	
Finance costs (Electric Trains)	605	1,052	447	5,102	6,449	1,347	●	11,140	12,261	1,121	●	
Losses/(gains) on derivatives	(1,867)	-	1,867	(3,100)	5,109	8,209	●	5,109	-	(5,109)	●	
<b>Total operating expenditure</b>	<b>55,877</b>	<b>72,262</b>	<b>16,385</b>	<b>530,045</b>	<b>546,534</b>	<b>16,489</b>	●	<b>844,322</b>	<b>824,241</b>	<b>(20,081)</b>	●	
<b>Profit/(loss) from Operations</b>	<b>(10,616)</b>	<b>(23,574)</b>	<b>12,958</b>	<b>(155,494)</b>	<b>(167,621)</b>	<b>12,127</b>	●	<b>(265,620)</b>	<b>(240,615)</b>	<b>(25,005)</b>	●	
<u>Income for capital projects</u>												
NZ Transport Agency	10,861	17,713	(6,852)	83,786	99,132	(15,346)	●	158,343	119,076	39,267	●	
Auckland Council capital grant	10,329	10,329	-	82,633	82,633	-	●	123,949	123,949	-	●	
Other capital grants	-	-	-	10	10	-	●	10	-	10	●	
Vested asset income	-	-	-	414,443	394,895	19,548	●	394,895	-	394,895	●	
	21,190	28,042	(6,852)	580,872	576,670	4,202	●	677,197	243,025	434,172	●	
<b>Net surplus/(deficit) before tax</b>	<b>10,574</b>	<b>4,468</b>	<b>6,106</b>	<b>425,378</b>	<b>409,049</b>	<b>16,329</b>	●	<b>411,577</b>	<b>2,410</b>	<b>409,167</b>	●	
Income tax expense	-	-	-	1,125	-	(1,125)	●	-	-	-	●	
<b>Net surplus/(deficit) after tax</b>	<b>10,574</b>	<b>4,468</b>	<b>6,106</b>	<b>424,253</b>	<b>409,049</b>	<b>15,204</b>	●	<b>411,577</b>	<b>2,410</b>	<b>409,167</b>	●	

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

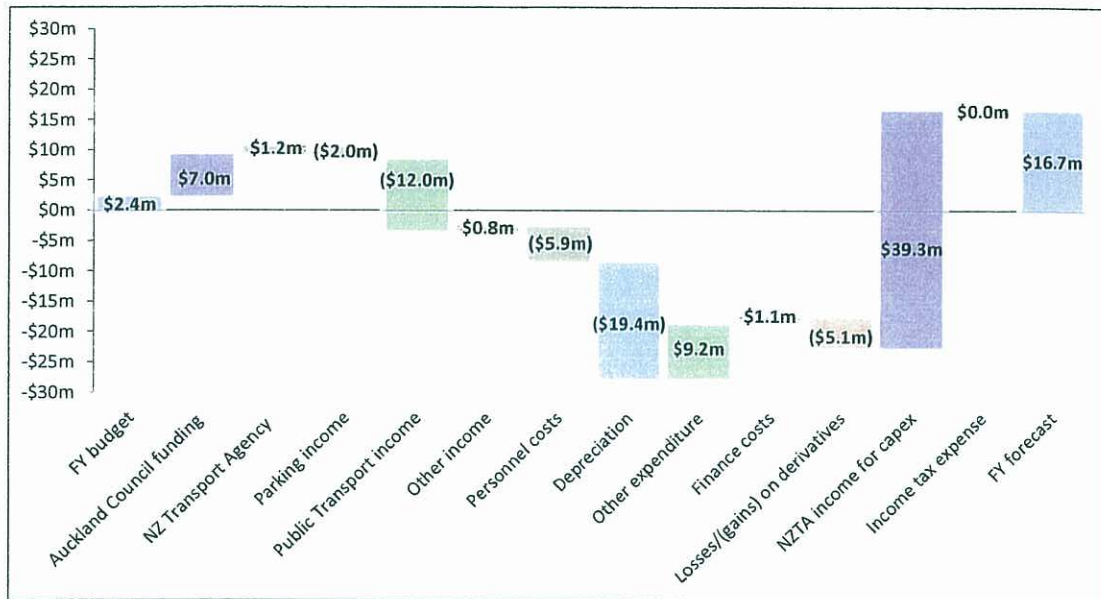


**Section 2b - Net surplus/(deficit) waterfall**

**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 - Financial results by activity**  
**For the eight months ended 28 February 2013**

		Parking and Enforcement \$000	Public Transport \$000	Road Network \$000	Other \$000	Total \$000
<b>Operational costs:</b> (excluding income for capital projects)						
YTD Actual/Forecast variance	Revenue - NZTA	-	3. (3,727)	1,152	(63)	(2,638)
	Revenue - Other	1. (4,987)	(1,741)	5,576	(572)	(1,724)
	Expenditure	2. 2,240	4. 17,096	6. (977)	(1,870)	16,489
	Net result	(2,747)	11,628	5,751	(2,505)	12,127
<b>Capital Expenditure:</b>						
YTD Actual/Forecast variance		2,591	23,664	14,165	(164)	40,256

1. Reduced parking income mainly due to forecast including on-street parking initiatives to increase tariffs and number of parking spaces which have not been implemented.
2. Reduced parking expenditure due to savings from court lodgement fees, staff vacancies and lower than forecast maintenance costs.
3. Reduced NZTA income for Public Transport due to lower than budgeted expenditure on Public Transport facilities.
4. The favourable result for Public Transport of \$17.1m was due to \$8.2m variance against forecast for derivatives and \$1.3m reduced interest costs on Electric Train project, combined with lower than forecasted expenditure on Public Transport facilities.
5. Favourable Roothing income variance includes \$3.2m recoveries from Auckland Council to fund street cleaning costs; and higher than forecast rental income.
6. Roothing unfavourable expenditure variance of \$1.0m includes costs forecast for in future months \$4.7m, costs funded by recoveries from Auckland Council \$3.2m and loss on disposal of assets \$1.2m partly offset by lower than forecast depreciation of \$8.1m.

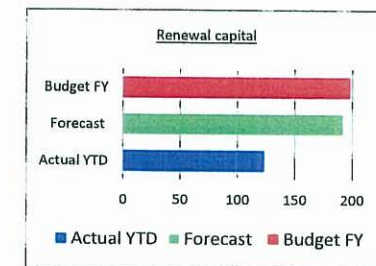
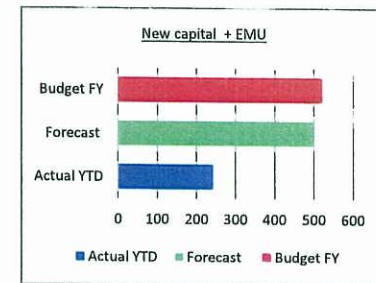
-  : Largely on track
-  : Monitoring/minor action taken
-  : Action required/taken



## Section 3a - Summary of Capital Expenditure for the eight months ended 28 February 2013

### Split by activity

	Note	Current month			Year to date			Results Achieved	Full Year		
		Actual \$000	Forecast \$000	Variance \$000	Actual \$000	Forecast \$000	Variance \$000		Forecast \$000	Budget \$000	Variance \$000
<b>New capital expenditure</b>											
Parking operations	1	132	822	690	1,551	2,734	1,183	●	5,153	5,229	76
Public transport	2	2,483	12,750	10,267	47,897	62,679	14,782	●	127,597	163,945	36,348
Roads	3	19,977	24,269	4,292	134,324	142,958	8,634	●	262,515	248,594	(13,921)
Other	4	488	648	160	4,514	4,350	(164)	●	6,483	7,556	1,073
<b>Total new capital</b>		<b>23,080</b>	<b>38,489</b>	<b>15,409</b>	<b>188,286</b>	<b>212,721</b>	<b>24,435</b>	●	<b>401,748</b>	<b>425,324</b>	<b>23,576</b>
<b>Renewal capital expenditure</b>											
Parking operations	5	6	1,089	1,083	295	1,703	1,408	●	6,225	6,225	-
Public transport	6	801	597	(204)	2,459	3,217	758	●	10,562	10,223	(339)
Roads	7	16,523	19,459	2,936	120,548	126,079	5,531	●	175,709	181,662	5,953
Other		-	-	-	-	-	-		-	-	-
<b>Total renewal</b>		<b>17,330</b>	<b>21,145</b>	<b>3,815</b>	<b>123,302</b>	<b>130,999</b>	<b>7,697</b>	●	<b>192,496</b>	<b>198,110</b>	<b>5,614</b>
<b>Electric motor units (EMUs)</b>											
Procurement		429	2,576	2,147	22,546	29,343	6,797	●	44,080	44,080	-
Depot		3,063	3,254	191	31,823	33,150	1,327	●	52,263	52,263	-
<b>Total EMUs</b>	8	<b>3,492</b>	<b>5,830</b>	<b>2,338</b>	<b>54,369</b>	<b>62,493</b>	<b>8,124</b>	●	<b>96,343</b>	<b>96,343</b>	<b>-</b>
<b>Total direct capital</b>		<b>43,902</b>	<b>65,464</b>	<b>21,562</b>	<b>365,957</b>	<b>406,213</b>	<b>40,256</b>		<b>690,587</b>	<b>719,777</b>	<b>29,190</b>
Vested assets		-	-	-	414,443	394,895	(19,548)		394,895	-	(394,895)
<b>Total capital</b>		<b>43,902</b>	<b>65,464</b>	<b>21,562</b>	<b>780,400</b>	<b>801,108</b>	<b>20,708</b>		<b>1,085,482</b>	<b>719,777</b>	<b>(365,705)</b>



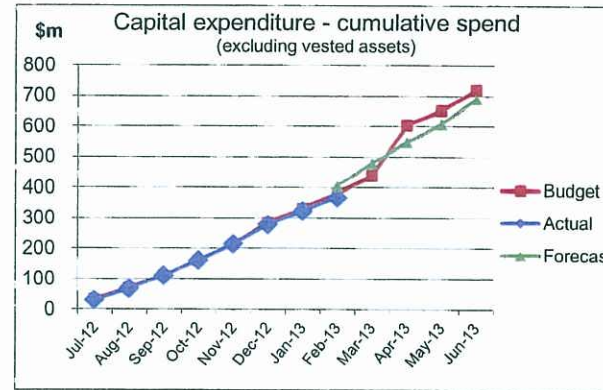
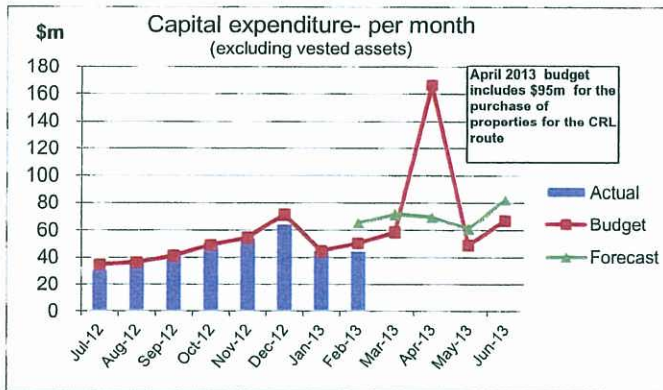
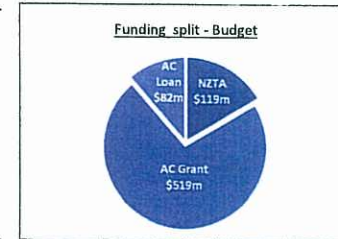
● : Largely on track  
 ● : Some issues or risks  
 ● : Project issues or risks

Notes: (Year to date)

- \$1.2m favourable variance in parking is mainly due to delay on car park operating equipment projects.
- \$14.8m favourable variance in public transport is mainly due to delays on AIFS project (\$9.2m), Manukau CRL project (\$2.5m, due to Mainzeal going under receivership) and Papakura train station upgrade project (\$0.8m, project will be completed before end of year).
- \$8.6m favourable variance in roads is mainly due to \$7.4m favourable variance on road construction across region that has not yet started pending approval from NZTA; \$0.7m favourable variance on Glenfield Road widening (Project costs charged to Watercare 6 months earlier than we expected).
- \$0.2m unfavourable variance in others is mainly due to overspending on design and development for Online AIFS and Hop projects.
- \$1.4m favourable variance in parking renewals due to spend on pay & display machines has been delayed (delays in awarding the tender but the project will be completed before end of year).
- \$0.7m favourable variance in public transport renewal is mainly due to \$0.2m underspend on rolling stock as it is still in decision stage; \$0.5m underspend on rail station renewals.
- \$5.5m favourable variance in roads renewal is mainly due to expenditure in the central area is behind for pavement rehabilitation and bridge renewals awaiting approval from NZTA which have been received. Works planned for March and April 2013 (\$4.0m); Expenditure on the Technical Support Service contracts in the south, north and west areas are behind due to finalisation of purchase orders (\$1.8m).
- \$6.8m favourable variance in the EMU procurement is mainly due to design documentation not yet completed; \$1.3m favourable variance in the EMU depot project is mainly due to connection not yet completed by Kiwirail. The completion date and overall cost of EMU project is not expected to be affected.

### Section 3b - Capital Expenditure Funding for the eight months ended 28 February 2013

	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
<b>Funding</b>									
NZTA - new capital	5,504	11,097	(5,593)	46,693	59,024	(12,331)	111,971	89,875	22,096
NZTA - renewal capital	5,357	6,616	(1,259)	37,093	40,108	(3,015)	46,372	29,201	17,171
Other grants and subsidies	-	-	-	10	10	-	10	-	10
Auckland Council funding (Non EMU)	29,549	41,921	(12,372)	227,792	244,578	(16,786)	435,891	519,011	(83,120)
Auckland Council loan (EMU)	3,492	5,830	(2,338)	54,369	62,493	(8,124)	96,343	81,690	14,653
Vested assets	-	-	-	414,443	394,895	19,548	394,895	-	394,895
<b>Total funding</b>	<b>43,902</b>	<b>65,464</b>	<b>(21,562)</b>	<b>780,400</b>	<b>801,108</b>	<b>(20,708)</b>	<b>1,085,482</b>	<b>719,777</b>	<b>365,705</b>



**Section 4a - Statement of Financial Position  
As at 28 February 2013**

	Note	Actual 28 February 2013 \$000	Actual 31 January 2013 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1	27,866	23,008
Trade and other receivables	2	115,686	117,834
Inventories		4,945	5,105
Other assets		6,442	10,817
<b>Total current assets</b>		<b>154,939</b>	<b>156,764</b>
<b>Non-current assets</b>			
Property, plant and equipment - assets		13,608,566	13,550,299
Property, plant and equipment - work-in-progress		588,297	620,561
Intangible assets		34,354	34,323
Amounts due from related parties		46,000	46,000
Other non-current assets		28,456	28,456
<b>Total non-current assets</b>		<b>14,305,673</b>	<b>14,279,639</b>
<b>Total assets</b>		<b>14,460,612</b>	<b>14,436,403</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	3	9,481	8,618
Trade and other payables	4	128,090	127,111
Employee benefit liabilities	5	8,820	8,513
Borrowings	6	859	855
<b>Total current liabilities</b>		<b>147,250</b>	<b>145,097</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	3	50,699	55,283
Employee benefit liabilities	5	900	900
Borrowings	6	179,260	179,324
Deferred tax liability	7	12,145	12,145
<b>Total non-current liabilities</b>		<b>243,004</b>	<b>247,652</b>
<b>Total liabilities</b>		<b>390,254</b>	<b>392,749</b>
<b>Net assets</b>		<b>14,070,358</b>	<b>14,043,654</b>
<b>Equity</b>			
Contributed equity		12,685,863	12,671,595
Retained earnings/(losses)		273,439	262,857
Reserves		1,111,056	1,109,202
<b>Total equity</b>		<b>14,070,358</b>	<b>14,043,654</b>

## Section 4b - Notes to the Financial Statements As at 28 February 2013

	Actual 28 February 2013	Actual 31 January 2013
	\$000	\$000

### 1 Cash and cash equivalents

Cash at bank - Trading	4,565	4,829
Cash at bank - AIFS	1,232	891
Till floats	191	191
Cash investment with Auckland Council	21,878	17,097
<b>Total cash and cash equivalents</b>	<b>27,866</b>	<b>23,008</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.

### 2 Trade and other receivables

Trade debtors	3,447	2,689
Infringements receivable	13,790	13,969
Amounts due from related parties	64,418	67,980
Accrued income	29,832	29,150
Goods and services tax	4,944	4,791
	<b>116,431</b>	<b>118,579</b>
Less provision for impairment of receivables	(745)	(745)
<b>Total trade and other receivables</b>	<b>115,686</b>	<b>117,834</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 28 February 2013 is detailed below:

	Gross \$000	Impaired \$000	Net \$000
Not past due	98,666	-	98,666
Past due 1 - 30 days	1,747	-	1,747
Past due 31 - 60 days	2,040	-	2,040
Past due 61 - 90 days	1,482	-	1,482
Past due > 90 days	12,496	(745)	11,751
	<b>116,431</b>	<b>(745)</b>	<b>115,686</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:

	<b>Actual \$000</b>
At 1 July 2012	792
Additional provisions made	75
Provisions reversed	(122)
Receivables written-off	-
<b>At 28 February 2013</b>	<b>745</b>

**Section 4b - Notes to the Financial Statements  
As at 28 February 2013**

	Actual 28 February 2013	Actual 31 January 2013
	\$000	\$000

**3 Derivative financial instruments**

**Current liability portion**

Forward foreign exchange contracts - cash flow hedges	9,220	8,370
Forward foreign exchange contracts - not hedge accounted	261	248
<b>Current derivative financial instruments</b>	<b>9,481</b>	<b>8,618</b>

**Non-current liability portion**

Interest rate swaps - cash flow hedges	24,269	26,150
Forward foreign exchange contracts - cash flow hedges	26,430	29,133
<b>Non-current derivative financial instruments</b>	<b>50,699</b>	<b>55,283</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 \$856. The foreign currency principal amount was EUR 375k. The loss on their revaluation of \$261k has been recorded in the Statement of Financial Performance.

*Forward foreign exchange contracts - hedge accounted*

The notional principal amount of outstanding forward foreign exchange contract cash flow hedges was NZD \$345m. The foreign currency principal amount was USD 245m. These cash flow hedges have been accounted for as effective and the loss of \$35.7m 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 \$397m. At 28 February 2013 the fixed interest rates of cash flow hedge interest rate swaps varied from 4.9% to 5.4%.

**4 Trade and other payables**

Creditors	21,554	24,141
Accrued expenses	81,959	80,234
Retentions	7,160	6,794
Amounts due to related parties	14,830	13,781
Income in advance	2,587	2,161
	<b>128,090</b>	<b>127,111</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 28 February 2013**

Actual  
28 February 2013      Actual  
31 January 2013  
\$000                      \$000

**5 Employee benefit liabilities**

**Current portion**

Accrued salaries and wages	3,033	2,997
Accrued leave	5,787	5,516
<b>Current employee benefit liabilities</b>	<b>8,820</b>	<b>8,513</b>

**Non-current portion**

Retirement gratuities	383	383
Long service leave	517	517
<b>Non-current employee benefit liabilities</b>	<b>900</b>	<b>900</b>

**6 Borrowings**

**Current portion**

Loans from Auckland Council	859	855
<b>Current borrowings</b>	<b>859</b>	<b>855</b>

**Non-current portion**

Loans from Auckland Council	179,180	179,241
Finance Leases	80	83
<b>Non-current borrowings</b>	<b>179,260</b>	<b>179,324</b>

Weighted average cost of funds on total borrowings 5.32%      5.32%

Auckland Transport's loan debt of \$180,038,643 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  
28 February 2013

	Property, plant and equipment	Other provisions	Tax losses	Total
	\$000	\$000	\$000	\$000
Deferred tax liability				
Balance at 1 July 2012	(11,020)	-	-	(11,020)
Charged to profit and loss	(1,125)	-	-	(1,125)
Charged to equity	-	-	-	-
<b>Balance at 28 February 2013</b>	<b>(12,145)</b>	<b>-</b>	<b>-</b>	<b>(12,145)</b>

## Section 5a - Cash Flow Rolling Forecast as at 28 February 2013

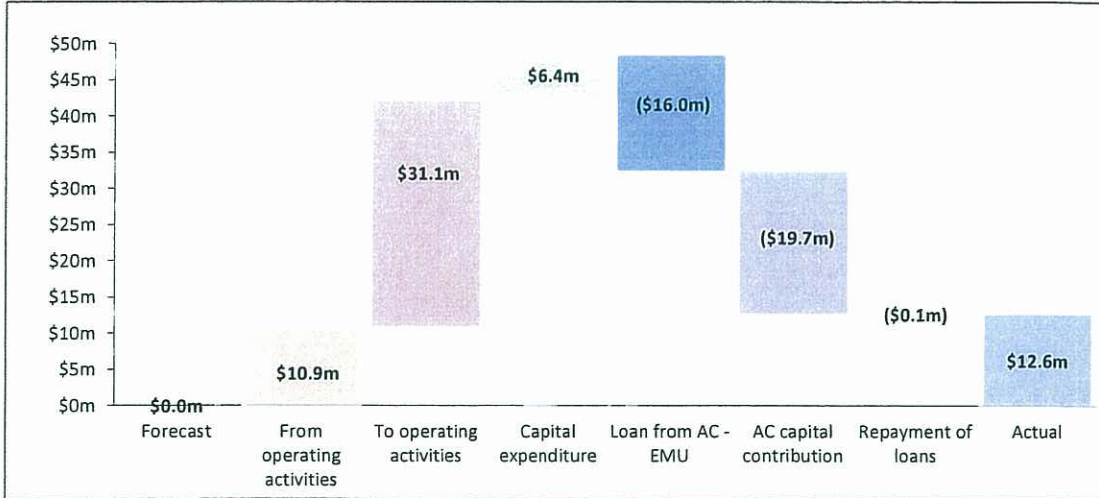
	Current month		Forecast rolling 3 months		
	Actual	Forecast	Forecast	Forecast	Forecast
	\$000	\$000	Mar 2013 \$000	Apr 2013 \$000	May 2013 \$000
<b>Cash flows from operating activities</b>					
Total cash provided	73,787	62,888	79,751	79,751	79,751
<b>Cash applied to:</b>					
Payments to suppliers, employees and directors	43,552	47,636	48,281	45,364	49,858
Interest paid	495	1,052	1,163	1,163	1,162
<b>Total cash applied</b>	<b>44,047</b>	<b>48,688</b>	<b>49,444</b>	<b>46,527</b>	<b>51,020</b>
<b>Net cash from operating activities</b>	<b>29,740</b>	<b>28,042</b>	<b>30,307</b>	<b>26,652</b>	<b>21,877</b>
<b>Cash flows from investing activities</b>					
<b>Cash provided from:</b>					
Sale of property, plant and equipment	-	-	-	-	-
<b>Total cash provided</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash applied to:</b>					
Capital expenditure projects	38,006	65,464	71,599	69,563	60,782
<b>Total cash applied</b>	<b>38,006</b>	<b>65,464</b>	<b>71,599</b>	<b>69,563</b>	<b>60,782</b>
<b>Net cash from investing activities</b>	<b>(38,006)</b>	<b>(65,464)</b>	<b>(71,599)</b>	<b>(69,563)</b>	<b>(60,782)</b>
<b>Cash flows from financing activities</b>					
<b>Cash provided from:</b>					
Loan from Auckland Council - EMU	-	5,830	7,867	9,051	4,025
Capital contribution from Auckland Council	13,184	31,592	33,425	33,860	34,880
<b>Total cash provided</b>	<b>13,184</b>	<b>37,422</b>	<b>41,292</b>	<b>42,911</b>	<b>38,905</b>
<b>Cash applied to:</b>					
Repayments of EMU loan from Auckland Council	58	-	-	-	-
Repayments of finance lease principal	3	-	-	-	-
<b>Total cash applied</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>13,123</b>	<b>37,422</b>	<b>41,292</b>	<b>42,911</b>	<b>38,905</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>4,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Opening cash balance	23,010	-	-	-	-
<b>Closing cash balance</b>	<b>27,867</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
	\$000
Surplus/(deficit) after tax	10,574
<b>Add/(less) non cash items</b>	
Vested asset	-
Depreciation and amortisation	14,162
Loss in fair value of derivatives	(1,868)
Loss on disposal of asset	(19)
	<b>12,275</b>
<b>Add/(less) movements in working capital</b>	
Decrease/(Increase) in trade and other receivables	11,346
Decrease/(Increase) in inventories	160
(Decrease)/Increase in accounts payable and accruals	(5,008)
(Decrease)/Increase in employee benefits payable	307
(Decrease)/Increase in other liabilities	86
	<b>6,891</b>
<b>Net cash flow from operating activities</b>	<b>29,740</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 28 February has 68% of adjusted Debtors in 30 and 60 days. The 22% of adjusted Debtors in 90 days, includes an invoice for \$318k for one of the telco's which at this stage has not been flagged as either doubtful or in dispute. Property are continuing discussions and will report back shortly. A debt totalling \$167k has been removed off the "queried invoices" list as payment has been promised within the next week. This amount forms part of the 120+ days total outstanding.

#### Debtors Ageing Analysis as at 28 February 2013

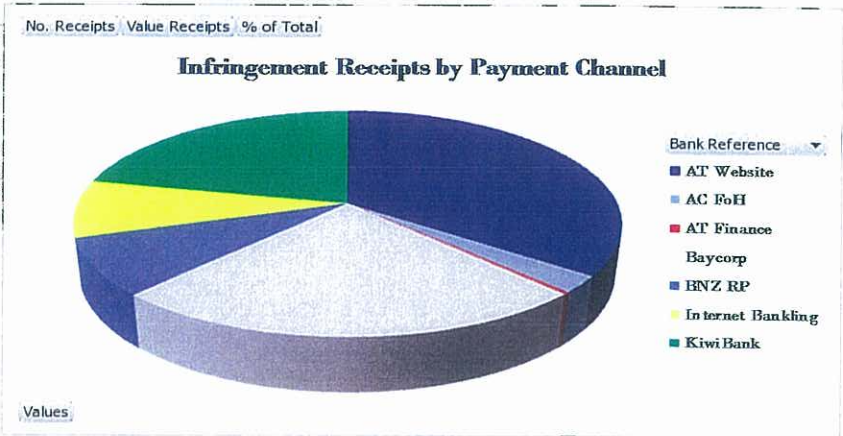
<u>Description</u>	<u>Ave Days</u>	<u>Total O/s</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days</u>	<u>120+ Days</u>	<u>Notes</u>
<b>Debtors Ageing 28 Feb</b>	<b>101</b>	<b>4,223,548</b>	<b>1,321,729</b>	<b>197,403</b>	<b>891,502</b>	<b>123,732</b>	<b>1,689,182</b>	
		100.0%	31.3%	4.7%	21.1%	2.9%	40.0%	
O/s Related Parties	na	776,594	-169,027	52,142	181,282	94,170	618,027	1
<b>Trade Debtors</b>	<b>88</b>	<b>3,446,954</b>	<b>1,490,756</b>	<b>145,262</b>	<b>710,219</b>	<b>29,562</b>	<b>1,071,155</b>	
		100.0%	43.2%	4.2%	20.6%	0.9%	31.1%	
Debtors Paid to AC	207	767	0	0	0	0	767	2
Queried Invoices	230	327,787	-1,123	-44	194,746	13,518	120,689	3
Cell Sites - Property	334	711,307	0	0	0	0	711,307	4
To Baycorp (Collection)	378	12,242	0	54	0	1,046	11,143	5
Payment Arrangement	108	2,704	1,430	230	230	0	815	6
Lodged Courts (Damages)	114	91,343	65,458	3,300	0	4,832	17,752	7
<b>Adjusted Debtors</b>	<b>N/a</b>	<b>2,300,804</b>	<b>1,424,990</b>	<b>141,722</b>	<b>515,243</b>	<b>10,166</b>	<b>208,682</b>	
		100.0%	61.9%	6.2%	22.4%	0.4%	9.1%	

- 1 - This section relates to amounts owed by related parties (inter-company).
- 2 - These are debtors who paid AC in error. We are working with AC to rectify these problems.
- 3 - A number of invoices have been queried by the Debtors concerned and we are working with them and the relevant Departments in an effort to resolve these queries. The bulk of the outstanding amount is made up of 2 invoices totalling \$269k and is currently being worked on by the business to resolve the issues.
- 4 - Property are currently working to resolve on-going issues around outstanding amounts relating to rental of cell sites. An amount of \$788,791 was impaired at 30 June as they were considered doubtful. This has been revised down to \$711k.
- 5 - These are amounts which may be written off in the future. All amounts written off are approved by the CFO in accordance with accepted practice. A number of Debtors have been handed over to Baycorp for collection.
- 6 - We have agreed payment terms with a few slow paying Debtors rather than handing them over to Baycorp. These are closely monitored to ensure that payments are received on agreed dates. A number of these were paid up during the last month.
- 7 - Lodged at Court relates to matters where AT is recovering damages from road accidents investigated by the Police. Many of the matters are being paid off at a nominal amount per week as instructed by the Courts.

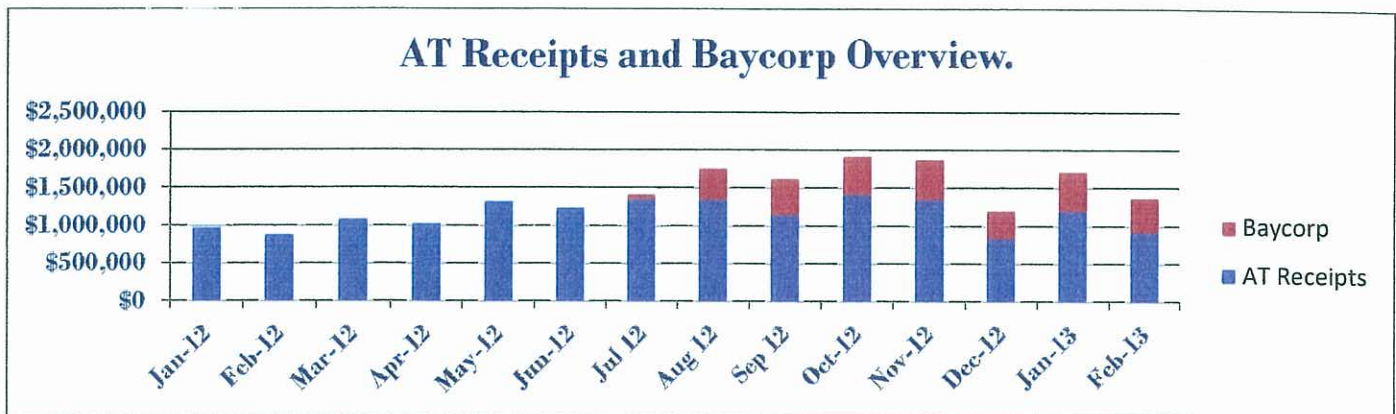
**Infringement Overview**

February is the shortest month of the year, with the fewest receiving days and a public holiday in between. Receipts for February are up 44% on 2012, but down 17% on January's total.

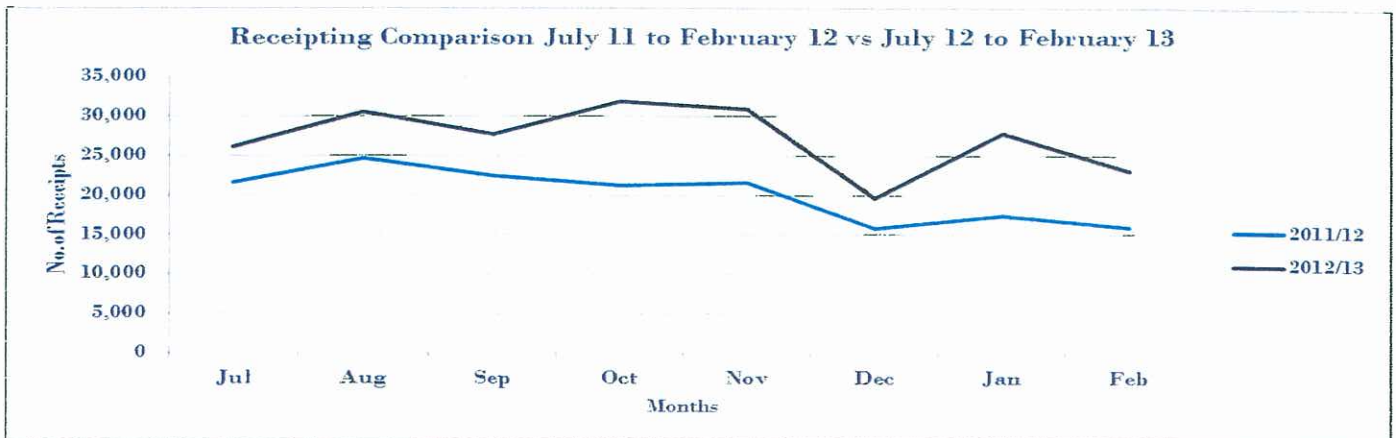
Row Labels	No. Receipts	Value Receipts	% of Total
AT Website	8,064	\$405,663	35.0%
AC FoH	568	\$49,519	2.5%
AT Finance	56	\$1,787	0.2%
Baycorp	5,584	\$456,402	24.2%
BNZ RP	1,874	\$117,458	8.1%
Internet Banking	1,888	\$111,332	8.2%
KiwiBank	5,020	\$237,036	21.8%
<b>Grand Total</b>	<b>23,054</b>	<b>\$1,379,197</b>	<b>100.0%</b>



The manner in which our customers choose to pay their infringements has changed once again. KiwiBank has increased marginally, while Baycorp has a substantial increase. All other channels are down as a percentage of overall payments. Direct savings on the Baycorp Project reached its first \$1m in February. These savings do not include savings on the increased number of payments prior to day 63 (1,000 + per week as reported by Parking).



The following graph illustrates receipting patterns between July and January for 2011/12 and 2012/13 years. Receipting from July 12 to January 13 is up 35.4% over the same period last year. The average number of infringement receipts per month during the period November 2010 to June 2012 is 21,640 compared with 27,216 from July 2012 to February 2013, an average increase of 26%.



## Section 7 - Tender Stats:

OPEN TENDERS AS AT 28 FEB 2013				
AT Reference	Contract Description	Close date	Estimated Award Date	Estimated Value (Millions)
342-13-135-T2	Rua Road South and Waru Stub Construction	9-Feb-13	6-Mar-13	\$4.270
161-13-414-PS	Auckland EMU Independent V&V	22-Feb-13	14-Mar-13	\$0.400
332-13-14-T2	Halsey St-Gaunt St-Viaduct Harbour Rd	23-Feb-13	9-Mar-13	\$0.165
451-13-469-FM	Down Town Car park Maintenance	11-Mar-13	11-Apr-13	\$0.230
<b>Total</b>				<b>\$5.065</b>

Tenders currently advertised on the Auckland Transport E-Tender Portal

## Contract Stats:

CONTRACTS AWARDED >\$2m (FY 12/13)						
Contract	Item	Contract Name	Vendor	Start Date	Fin date	Value (Millions)
4100001860	10	Tiverton / Wolverton project	VECTOR LIMITED	Jul-12	Jul-12	\$3.679
<b>Total</b>						<b>\$3.679</b>
4100001872	10	South West Maint 12/13 Budget	DOWNER EDI WORKS LIMITED	Jul-12	Jun-16	\$129.816
<b>Total</b>						<b>\$129.816</b>
4100001873	10	South Rural Maint 12/13 Budget	TRANSFIELD SERVICES	Jul-12	Jun-16	\$89.398
<b>Total</b>						<b>\$89.398</b>
4100001874	10	South East Maint 12/13 Budget	FULTON HOGAN CONTRACTING	Jul-12	Jun-16	\$78.189
<b>Total</b>						<b>\$78.189</b>
4100001912	10	Master Services Agreement	AUCKLAND COUNCIL (EX ARC)	Jul-12	Jun-13	\$9.326
<b>Total</b>						<b>\$9.326</b>
4100001936	10	Southern TSP	OPUS INTERNATIONAL	Aug-12	Jun-16	\$2.400
<b>Total</b>						<b>\$2.400</b>
4100001937	10	Central TSP	BECA INFRASTRUCTURE	Aug-12	Jun-16	\$2.220
<b>Total</b>						<b>\$2.220</b>
4100001939	10	Northern TSP	PROJENZ 2005	Aug-12	Jun-16	\$2.304
<b>Total</b>						<b>\$2.304</b>
4100001948	10	Western TSP	GHD LIMITED	Aug-12	Jun-17	\$3.400
<b>Total</b>						<b>\$3.400</b>
4100001949	10	Western TSP	PROJENZ 2005	Aug-12	Jun-17	\$2.100
<b>Total</b>						<b>\$2.100</b>
4100001968	10	South Traffic Signals Maint	TRAFFIC SYSTEMS LIMITED	Aug-12	Jun-15	\$1.469
4100001968	20	North Traffic Signals Maint	TRAFFIC SYSTEMS LIMITED	Aug-12	Jun-15	\$0.734
<b>Total</b>						<b>\$2.203</b>
4100001970	10	Central Traffic Signals Maint	CSL INFRASTRUCTURE	Aug-12	Jun-15	\$2.301
<b>Total</b>						<b>\$2.301</b>
4100001981	10	Eco Maintenance	ECO MAINTENANCE LIMITED	Aug-12	Jun-13	\$6.262
<b>Total</b>						<b>\$6.262</b>
4100001985	10	Hobsonville Ferry Terminal	BRIAN PERRY CIVIL	Aug-12	Jan-13	\$3.146
<b>Total</b>						<b>\$3.146</b>
4100002038	10	City Parks StreetScape	CITY PARK SERVICES	Sep-12	Jun-13	\$11.705
<b>Total</b>						<b>\$11.705</b>
4100002090	10	Fort street Area Upgrade	DOMINION CONSTRUCTORS LIMITED	Sep-12	Jun-13	\$4.143
<b>Total</b>						<b>\$4.143</b>
4100002128	10	Taharoto/Wairau Rd Upgrade	DEMPSEY WOOD CIVIL	Oct-12	Jun-13	\$5.170
<b>Total</b>						<b>\$5.170</b>
4100002138	10	AMETI EPH Service Relocation	CHORUS	Oct-12	Oct-13	\$2.251
<b>Total</b>						<b>\$2.251</b>
4100002203	10	AMETI EPH Service Relocation	HAWKINS INFRASTRUCTURE	Nov-12	Jan-13	\$5.000
<b>Total</b>						<b>\$5.000</b>
4100002212	10	Hibiscus Coast Busway	WHAREHINE CONTRACTORS	Nov-12	Jun-13	\$2.772
<b>Total</b>						<b>\$2.772</b>
4100002361	10	Locally Operated Points System	GE INTERNATIONAL	Jan-13	Aug-13	\$2.562
<b>Total</b>						<b>\$2.562</b>
<b>Grand Total</b>						<b>\$370.347</b>

Contract(s) awarded in current financial year with value greater than two million dollars

## Recommendation

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

<b>WRITTEN 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 BY</b>	David Foster <b>Chief Financial Officer</b>	