

CANROAD CONSTRUCTION LIMITED

Cost of Proposed Services

1995/96 Budget \$		1996/97 Budget \$
-	Revenue	(4,660,000)
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	Operating, Financing and Depreciation Costs	4,610,000
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-	Total Expenditure	4,610,000
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	Net Profit before Taxation	(50,000)
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Projected Net Profit before Taxation 1997/98: (\$50,000)

Projected Net Profit before Taxation 1998/99: (\$50,000)

Planned Services

1. Provision of roading construction and maintenance work.
2. Manufacture and sale of bitumen based roading products.
3. Provision of laboratory services to the roading industry.

Relationship to Council

Canroad Construction Limited is a Local Authority Trading Enterprise, 100% owned by the Christchurch City Council. The company was incorporated on 14 May 1996. The Council retains control over the activities of the company through approval of the company's annual Statement of Corporate Intent.

The Council's interest in the company is in accordance with its Strategic Objectives: C11 and D8 (see page 19-23)

Overall Service Objective

1. To operate a successful business providing maintenance and construction work in roading, bitumen products, laboratory services and other related activities in an efficient and economical manner for the maximum benefit of the shareholders.

Objectives for 1996/97

To yield projected return on investment.

Performance Indicators

- 2.1 Minimum after tax return on shareholders funds of 10%.

Sources of Funding

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