

RED BUS LIMITED

Cost of Service

1999/00 BUDGET \$		2000/01 BUDGET \$
(14,220,000)	Revenue	(13,927,000)
11,781,000	Maintenance & Operating Costs	11,933,000
1,015,000	Depreciation	1,200,000
12,796,000	Total Expenditure	13,133,000
(1,424,000)	Net Profit before Taxation and Extraordinaries	(794,000)
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Net Profit Before Taxation

Projected Net Profit before Taxation 2001/02	850,000
Projected Net Profit before Taxation 2002/03	1,000,000

Capital Expenditure

Projected Capital Expenditure 2000/01	6,340,000
Projected Capital Expenditure 2001/02	500,000
Projected Capital Expenditure 2002/03	1,100,000

Nature and Scope

- Providing scheduled urban public passenger transport (PPT) services. The Company continues to be the principal provider of such services in the Canterbury region in terms of kilometres run.
- Operating ancillary services which profitably complement the above services, including bus charter services which promote regional interests.
- Research of actual and potential customer needs and development of services in Canterbury and other regions where it is perceived that the company will have a profitable and competitive advantage.
- The Company maintains a fleet of 156 buses, shuttles and coaches.

Relationship to the Council

Red Bus Limited is a Local Authority Trading Enterprise, 100% owned by Christchurch City Holdings Ltd. The Company commenced trading on 1 July 1991. 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 this Company is in accordance with its Strategic Objective F4 (see page 26).

Overall Service Objective

1. To operate a profitable, sustainable and innovative business in providing public passenger transport and ancillary services.

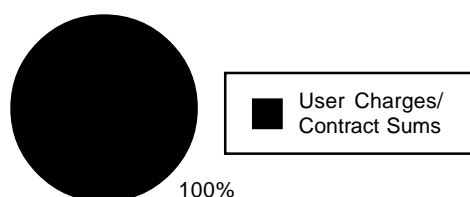
Objectives for 2000/01

2. Achieve targeted return on investment.
3. Achieve projected net after tax profit.

Performance Indicators

- 2.1 Carry 7,000,000 passengers per annum.
- 3.1 Net after tax profit of \$532,000.

Sources of Funding



An artist's impression of the Bus Exchange at The Crossing which will become operational in November 2000