Red Bus Limited

Cost of Service

2001/02 BUDGET $		2002/03 BUDGET $
17,708,000	Revenue	18,605,000
16,072,000	Maintenance & Operating Costs	15,929,000
1,172,000	Depreciation	1,132,000
17,244,000	Total Expenditure	17,061,000
464,000	Net Profit before Taxation and Extraordinaries	1,544,000

Net Surplus Before Taxation

Projected Surplus before Taxation 2003/04	1,600,000
Projected Surplus before Taxation 2004/05	1,840,000

Capital Expenditure

Projected Capital Expenditure 2002/03	174,000
Projected Capital Expenditure 2003/04	100,000
Projected Capital Expenditure 2004/05	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.
- 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 166 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.

For a list of the Company directors see page 185.

The Council's interest in this Company is in accordance with its Strategic Objective F4 (see pages 11 to 13).

Overall Service Objective

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

Objectives for 2002/03

1. Achieve targeted return on investment.

2. Achieve projected net after tax profit.

Performance Indicators

1. Carry 9,000,000 passengers per annum.

2. Net after tax profit of $1,034,000.

Sources of Funding

100%

User Charges/ Contract Sums