

Red Bus Limited

Cost of Service

2002/03 BUDGET \$		2003/04 BUDGET \$
18,605,000	Revenue	21,575,000
15,929,000	Maintenance & Operating Costs	18,945,000
1,132,000	Depreciation	1,420,000
17,061,000	Total Expenditure	20,365,000
1,544,000	Net Profit before Taxation and Extraordinaries	1,210,000

Net Surplus Before Taxation

Projected Surplus before Taxation 2004/05	805,000
Projected Surplus before Taxation 2005/06	1,195,000

Capital Expenditure

Projected Capital Expenditure 2003/04	3,520,000
Projected Capital Expenditure 2004/05	25,000
Projected Capital Expenditure 2005/06	20,000

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 Council controlled trading organisation, 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 Intent.

For a list of the Company directors see page 221.

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

Overall Service Objective

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

Objectives for 2003/04

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

Performance Indicators

1. Carry 10,000,000 passengers per annum.
2. Net after tax profit of \$811,000.

Sources of Funding

