

CHRISTCHURCH TRANSPORT LIMITED

Cost of Service

1997/98 BUDGET		1998/99 BUDGET
\$		\$
(15,720,000)	Revenue	(14,991,000)
13,017,000	Maintenance & Operating Costs	12,934,000
692,000	Depreciation	717,000
13,709,000	Total Expenditure	13,651,000
(2,011,000)	Net Profit Before Taxation and Extraordinaries	(1,340,000)
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(Subject to Board ratification)

Net Profit Before Taxation

Projected Net Profit Before Taxation 1999/00	(1,300,000)
Projected Net Profit Before Taxation 2000/01	(1,282,000)

Capital Expenditure

Projected Capital Expenditure 1998/99	1,807,000
Projected Capital Expenditure 1999/00	300,000
Projected Capital Expenditure 2000/01	320,000

Planned Services

- 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 159 buses and coaches.

Relationship to the Council

Christchurch Transport 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 the Company is in accordance with its Strategic Objectives: C10, C11 and D8 (see Volume 1).

Overall Service Objective

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

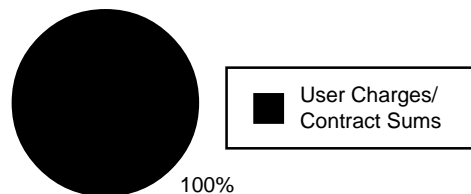
Objectives for 1998/99

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

Performance Indicators

- 2.1 Pre-tax return on total assets of 10%.
- 3.1 Net after tax profit of \$898,000.

Sources of Funding



Some of Christchurch Transport Ltd's fleet of buses.