

Graph

The above graph and figures were compiled over several years of meticulous accounting and bookkeeping. Although the above graph accurately represents this company's gross sales dispersal, it may not be accurate for other limousine services due to their price differences and geographical locations.

Advertising

Due to the nature of our business, limousine services need their advertising to reach potential clients across the entire city as well as smaller communities near Toronto such as Richmond Hill and Markham. Although Internet advertising is among the most cost effective, we still spend over \$500.00 per month to have a good search result standing with the various search engines. Telephone directory books such as *Yellow Pages* are a must have advertising for limousine services. For those of you that don't know the cost of advertising in the telephone directory books, here it is: 1/4 of a page colour ad \$500.00 - \$1000.00 per month, this price is for each one of GTA's districts such as Toronto, North York, Scarborough, Barrie and so on. The average limousine service in Toronto spends between \$20,000.00 - \$40,000.00 for advertising per year in order to cover the greater Toronto area.

Fuel

The average sedan or stretched limousine's fuel economy is 15- 20 litres per 100 kilometres of driving. When your limousine waits for you while you are having dinner, the car is always running in order to keep the passenger area warm or cool depending on the time of year. Don't forget the drive from our office to your pick up location and back to our office after your final drop off. We fill up all of our limousines with highest grade gasoline (Super), this is because of the extra work the engine has to do while hauling Big Vehicle. With today's gas prices, all this adds up to approximately \$15.00-\$20.00 of gas for every 1 hour the limousine is rented.

Insurance

All limousines require commercial auto insurance policies appropriate for carrying paying passengers. In the case of stretched limousines, the law in Ontario requires \$5,000,000.00 minimum coverage for a general liability. As far as I am aware there are only 2 insurance companies that will insure stretched limousines in Ontario, in other words they have a monopoly on prices. It costs \$5,000.00 per year to insure each limousine. Not long ago we received a letter from the insurance broker warning us to be prepared for another significant increase in premiums for next year.

Labour

Several employees are required to run a professional limousine service. First we have the drivers. The limo driver's pay starts when he/she picks up the limousine from our office and his/her pay ends when the limousine is dropped off at the end of the night. This means that even though you may be renting one of our limousines for only 1 hour the driver gets paid for as much as 3 hours of work because of the time it takes him to get to your place and the time it takes to get back to our office after you are dropped off.

Second we have the office personnel. In order to give our clients the best possible service, our office opens 24/7 This means we are open 24 hour a day 7 days a week, in other words we have to pay between 160-170 men-hours per week just to have our phones answered.

Last but not least we have the cleaners that wash, clean and prepare your limousine after each run. It takes about 1.5- 2 hours of preparation for each limousine before you ever see it. Did you ever prepare a 32 foot long car that requires an exterior wash, vacuuming (sometimes steam-cleaning), all the seats need to be wiped down, interior windows cleaned and all of the glassware needs to be washed and prepared for the next run.

All in all approximately 1/4 of the price you pay goes toward the above people's payroll.

Maintenance

If you own your own car, you have an idea of the cost involved in automotive maintenance and repair. It is much more with a limousine. Many mechanical parts in a limousine wear-out and break-down more often because of the extra stress being put on them due to the weight of the car. Even though they are not broken we replace many parts each year such as alternators and spark-plug wires as part of preventive maintenance. Mechanics check all of our limousines on regular basis even if there is nothing wrong with our limousines. We know that no one wants their limousine to breakdown on the way to their wedding.

Depending on the age of a vehicle, each limousine's maintenance costs us between \$3,000.00 - \$6,000.00 per year to keep in a tiptop condition.

Depreciation

A regular limousine costs between \$50,000.00 - \$70,000.00 to buy brand new. Stretched Limousines between \$100,000.00 - \$130,000.00. Limousines depreciate 20% of its value each year. To give you an example: a limousine worth \$115,000.00 will lose \$23,000.00 of its value in the first year, \$18,400.00 in the second year, \$14,720.00 in the third year and so on. In 4 years time the same limousine will only be worth \$47,656.00. This means that the average stretched limousine costs us approximately \$17,000.00 per year in depreciation.

Profit

All of the above expenses add up to a seemingly unreasonable price for

a limousine rental unless you understand where your money ends up.
Atrium Executive Limousine services has some of the most reasonable
limousine rental rates in the industry and for every \$100.00 that you
spend with us, only \$9.00 of it stays in our pockets.
Beware of limousine companies that charge significantly less than we do!
The only way anyone could have a significantly cheaper prices is, if
their limousines are very old, poorly maintained or their cars are not
properly licensed & insured.

**AFTER ALL- ATRIUM IS THE ONLY
LIMOUSINE SERVICE**

FROM THE HEART