

APPENDIX 1

(referred to in paragraph 2.4 and Table 2.1)

Estimates of turnover in textile maintenance

1. The estimate of laundry turnover is a central estimate based on figures supplied by the Association of British Launderers and Cleaners (ABLC). We received estimates of total turnover in dry cleaning ranging from £125 million (ABLC and, independently, the Fabric Care Research Association) to £160 million (Initial). In the light of information from the Family Expenditure Survey for 1981 we have adopted an estimate of £135 million.

2. The linen rental estimate of £41 million (rounded) is that of the British Textile Rental Association (BTRA), as also are the estimates for workwear (£131 million) and cabinet towel rental (£66 million).

3. On dust mat rental and industrial wipers we received a variety of estimates, ranging from those of Initial (£23 million for dust mat rental, £19 million for industrial wipers) to the BTRA estimate of £22 million for dust mats and industrial wipers combined. Using information supplied by the other leading companies, we have adopted estimates of £15 million for dust mat rental, and £18 million for industrial wipers. Our estimate for ancillary rental is a broad brush estimate of the residual turnover in textile maintenance.

APPENDIX 2
(referred to in paragraph 3.6)

The Sunlight Service Group PLC: organisation structure in September 1982

The Sunlight Service Group PLC Board

J A Franks — Chairman—non-executive
 J C Ivey — Deputy Chairman and Chief Executive
 D R Browne — Operations
 J E Dixon — Finance
 A Kennedy — Trade Affairs and Operations
 J D Burns — Property Adviser—non-executive

Executive Committee

J C Ivey
 D R Browne
 J E Dixon
 A Kennedy

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Modeluxe Linen Services Division

D R Browne — Chairman (non-executive)
 Director — Managing
 Director — Sales and Marketing
 Director — Operations
 Director — Operations
 Director — Finance

J C Ivey }
 J E Dixon } Non-executive
 A Kennedy }

National Sunlight Laundries Division

D R Browne — Chairman (non-executive)
 Director — Managing
 Director — Operations
 Director — Sales and Marketing
 Director — Finance

J C Ivey }
 J E Dixon } Non-executive
 A Kennedy }

Sunlight Industrial Services Division

D R Browne — Chairman (non-executive)
 Director — Managing
 Director — Operations
 Director — Sales and Marketing
 Director — Finance

J C Ivey }
 J E Dixon } Non-executive
 A Kennedy }

Pall Mall Cleaning Group Division

J C Ivey — Chairman (non-executive)
 Director — Managing
 Director — Asst Managing
 Director — Operations
 Director — Operations
 Director — Trade Affairs and Acquisitions
 Director — Administration

J E Dixon — Non-executive

APPENDIX 3
(referred to in paragraph 3.15)

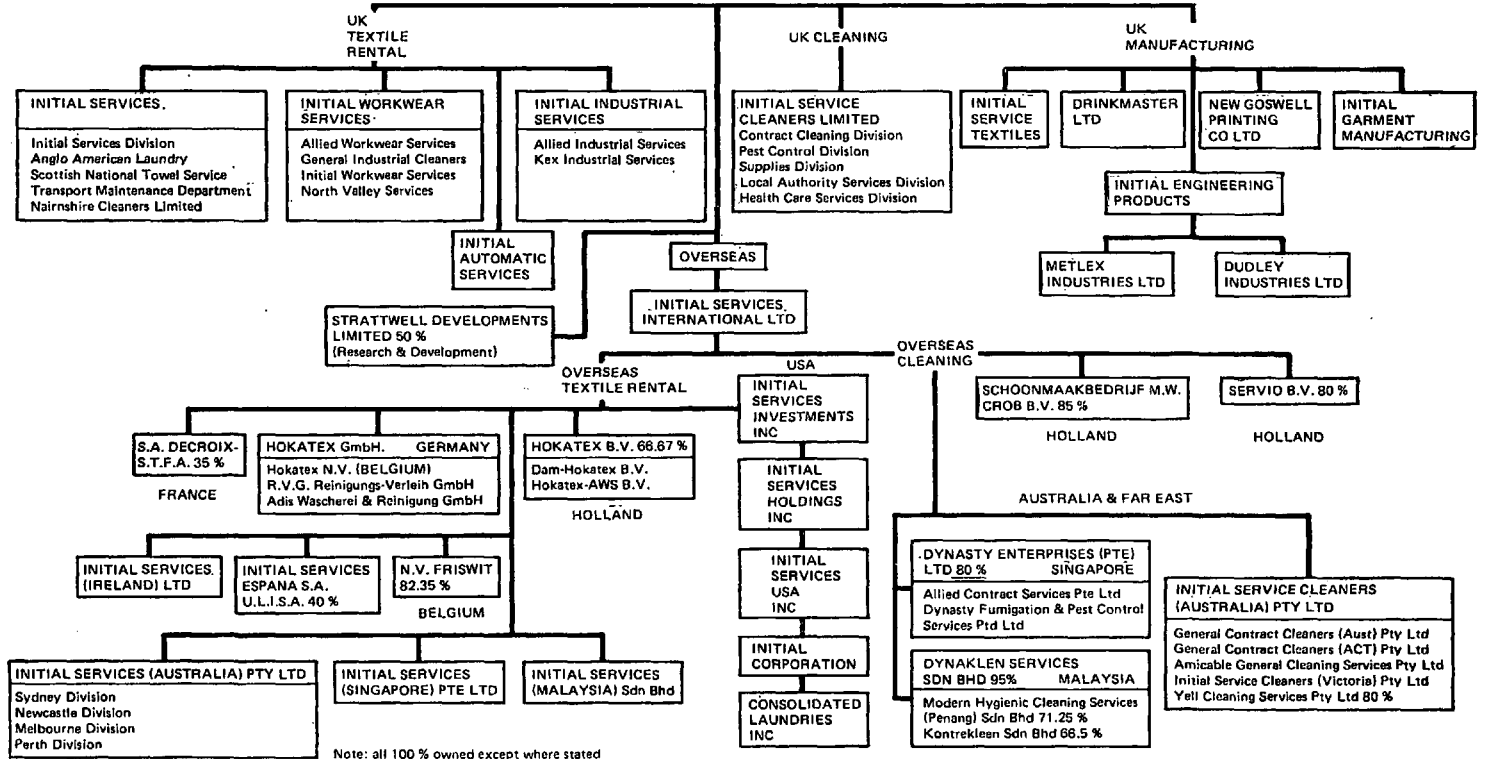
**The Sunlight Service Group PLC:
source and application of funds 1979 to 1981**

	1979	1980	1981	£'000 Total 1979 to 1981
<i>Source of funds</i>				
Profit before tax	1,311	1,564	2,157	5,032
Depreciation and other adjustments not involving the movement of funds	2,770	4,601	4,403	11,774
Funds raised:				
By issue of shares	8	6	1,961	1,975
By loans	—	1,398	1,375	2,773
	<u>4,089</u>	<u>7,569</u>	<u>9,896</u>	<u>21,554</u>
<i>Application of funds</i>				
Purchase of fixed assets	1,012	3,543	2,348	6,903
Purchase of linen	2,505	3,543	4,175	10,223
Purchase of goodwill and turnover	25	1,040	728	1,793
Loan repayments	—	—	1,398	1,398
Extraordinary items	258	197	168	623
Tax	95	212	48	355
Dividends	153	215	290	658
	<u>4,048</u>	<u>8,750</u>	<u>9,155</u>	<u>21,953</u>
Increase/(decrease) in working capital and net liquid funds	41	(1,181)	741	(399)

Source: Sunlight/MMC.

APPENDIX 4
(referred to in paragraph 4.17)

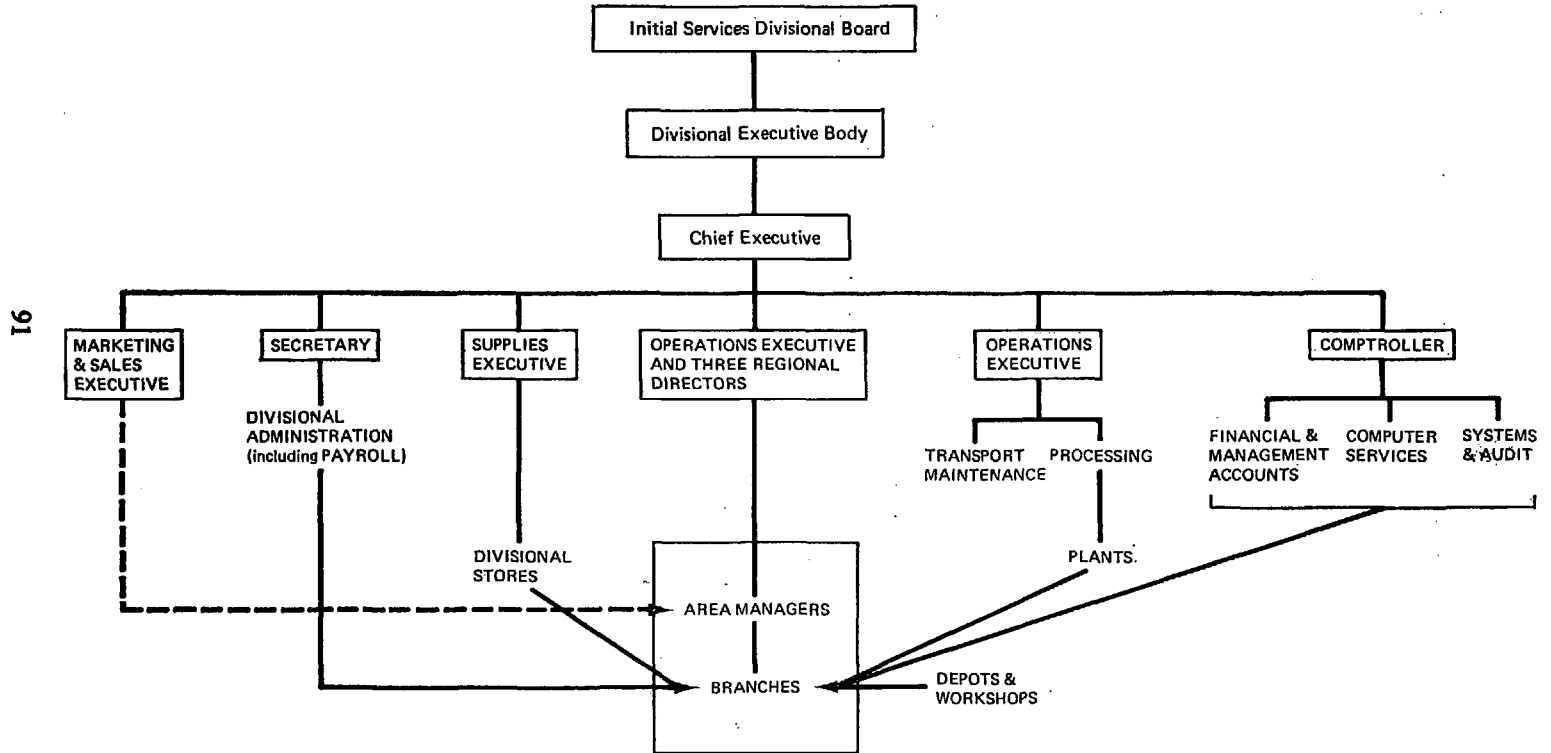
Initial PLC: corporate structure chart



Note: all 100 % owned except where stated

APPENDIX 5
(referred to in paragraph 4.17)

Initial PLC: Management Structure Chart for Initial Services Division



APPENDIX 6
(referred to in paragraph 4.27)

Initial PLC : Source and application of funds 1980 to 1982

	1980	31 March 1981	1982	£'000 Total 1979/80 to 1981/82
<i>Source of funds</i>				
Profit before tax	15,699	19,706	22,919	58,324
Depreciation and other adjustments not involving the movement of funds	3,100	3,702	4,896	11,698
Funds raised:				
Share capital	—	396	427	823
By loans (net)	—	—	13,475	13,475
	<u>18,799</u>	<u>23,804</u>	<u>41,717</u>	<u>84,320</u>
<i>Application of funds</i>				
Purchase of fixed assets (net)	8,323	4,858	10,133	23,314
Purchase of service equipment (net)	3,784	(2,347)	(1,752)	(315)
Purchase/sale of subsidiaries	262	287	14,109	14,658
Net investment in associated companies and film production	—	3,467	4,723	8,190
Loan repayments	1,884	1,904	—	3,788
Extraordinary items including purchase of goodwill	113	1,419	692	2,224
Tax	1,728	4,950	5,896	12,574
Dividends	3,323	4,247	5,070	12,640
Exchange movements	574	556	(991)	139
	<u>19,991</u>	<u>19,341</u>	<u>37,880</u>	<u>77,212</u>
Increase/(decrease) in working capital and net liquid funds	(1,192)	4,463	3,837	7,108

Source: Initial/MMC.

APPENDIX 7
(referred to in paragraph 5.4)

**Johnson Group Cleaners PLC:
dry cleaning shops 1968 to 1981**

	<i>Receiving shops</i>	<i>Shop units</i>
1968	1,242	439
1969	832	451
1970	636	456
1971	545	479
1972	488	503
1973	457	552
1974	257	555
1975	215	558
1976	110	572
1977	72	591
1978*	84	641
1979	58	646
1980	39	645
1981	21	647

Source: Johnson.

* Acquisition of Zernys and Kneels.

Note: Because of convenience and speed of service, the conversion of a suitably-sized receiving shop to a shop unit frequently doubled or trebled turnover (at constant prices).

APPENDIX 8
(referred to in paragraph 5.34)

**Johnson Group Cleaners PLC :
source and application of funds 1979 to 1981**

	1979	1980	1981	<i>£'000</i> <i>Total</i> <i>1979 to</i> <i>1981</i>
<i>Source of funds</i>				
Profit before tax	4,039	4,042	4,124	12,205
Depreciation and other adjustments (net)	3,278	4,268	4,670	12,216
Capital realisation	756	2,985	1,405	5,146
Funds raised:				
By issue of employee shares	—	—	26	26
By loans (USA acquisitions)	—	—	461	461
	<u>8,073</u>	<u>11,295</u>	<u>10,686</u>	<u>30,054</u>
<i>Application of funds</i>				
Net assets of companies acquired	1,475	—	306	1,781
Acquisition of fixed assets	4,787	5,116	3,643	13,546
Acquisition of textile rental items	3,126	2,713	2,112	7,951
Acquisition of goodwill	350	—	190	540
Acquisition of investments	—	7	—	7
Loan and debenture redemptions	33	47	82	162
Dilapidations and extraordinary expenses	369	357	134	860
Tax	284	480	738	1,502
Dividends	723	857	956	2,536
	<u>11,147</u>	<u>9,577</u>	<u>8,161</u>	<u>28,885</u>
Increase/(decrease) in working capital, bank balances and deposits	(3,074)	1,718	2,525	1,169

Source: Johnson/MMC.

APPENDIX 9
(referred to in paragraph 6.2)

**The Sunlight Service Group PLC:
principal acquisitions made since 1974**

<i>Year</i>	<i>Company acquired</i>	<i>Type of business</i>
1976	Modeluxe Linen Services Ltd	Linen hire
1976	Solent Computer Services Ltd	Software house
1977	Spring Grove Cleaning Services Ltd	Office cleaning
1977	Advance Cleaners Ltd	Office cleaning
1980	Textile Rentals Ltd	Textile rental and contract laundry
1980	Supreme Laundries (Holdings) Ltd	Textile rental and domestic and contract laundry
1980	Pickwick Cleaning Services Ltd	Office cleaning
1980	Courtney Commercial Services Ltd	Office cleaning
1980	Beresford Computer Services Ltd	Computer Bureau
1981	Wessex Computer Services Ltd	Software house and mini-computer sales operation
1981	Silver Shield Workwear Ltd	Textile rental and contract laundry
1981	New Era Linen Services Ltd	Textile rental and domestic and contract laundry
1981	Cleanwell Services Ltd	Office cleaning

APPENDIX 10

(referred to in footnote to paragraph 7.17)

**The British Electric Traction Company PLC:
textile rental and laundry interests**

