

Annex 14

ESTIMATING THE GREENFIELD INVESTMENT REQUIRED TO SET UP A UNIVERSAL POSTAL SERVICE IN THE UK

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Summary

This paper estimates the greenfield investment required to replicate a universal postal service in the UK. The main findings are as follows:

A. Postcomm considers that there is merit in determining the opening regulatory capital value (RCV) with reference to the greenfield investment ie ‘the *amount of investment that would be required to set up an equivalent business today*’.

B. Postcomm places a zero value on Royal Mail’s intangible assets. However, analysis of people intensive businesses in competitive industries demonstrates that intangible assets – brand and customer base, trained workforce, developed IT systems etc – form a significant share of total enterprise value (in the range of 30%-80%), and could imply an RCV for Royal Mail in the range £4.8 billion to £9.0 billion.

C. This paper finds that an entrant replicating the current functionality of Royal Mail’s network could have a total cash requirement of £5.3-6.1bn and an investment in assets of £7.0-8.4bn¹. Of this, approximately £3.6bn represents investment in intangible assets. The analysis could therefore imply an RCV value of £7.0bn or more. This assumes that the entrant can acquire equipment for the entire network at fully depreciated prices and property at in use value – if in fact the entrant has to buy new equipment and purchase property at prices above in-use value then the entrant investment will be substantially higher.

A. Postcomm’s approach to determining Royal Mail’s regulatory capital value (RCV)

Postcomm’s approach

Postcomm’s stated objectives in setting the opening RCV are to²:

- i. Retain and attract investment
- ii. Facilitate and promote competition
- iii. Ensure that customers do not face excessive prices

Postcomm states that it has considered a Modern Equivalent Asset Value (MEAV) approach to estimating the RCV, whereby the MEAV “*approximates the amount of investment that would be required to set up an equivalent business today. A strict MEAV approach would imply that the capital investment is considered on a ‘greenfield’ basis. An alternative is to estimate an ‘as is’ MEAV, which can be approximated by valuing on a current cost accounting or market value basis the assets that Royal Mail*

¹ Depending on whether or not financing charges are recognised

² Pg. 100, Paragraph 7.46, 2006 Royal Mail’s Price and Service Quality Review, Initial Proposals, Postcomm

*presently uses to provide its regulated products*³. Postcomm adopts the second of these approaches, placing a value on Royal Mail's asset base at £2.2bn based on the current cost accounting (CCA) value of the tangible assets and setting a zero value on intangibles.

The purpose of this paper is to consider further Postcomm's statement that the RCV, if established on an MEAV basis, should approximate the amount of investment that would be required to set up an equivalent business today, but recognising, in contrast to Postcomm, that a significant proportion of investment would be required in intangible assets. In taking this approach:

- We estimate the investment required to replicate the *current* outputs and functionality of Royal Mail's network, not the future outputs under any 'optimised' setup such as following completion of Royal Mail's strategic plan. This is because we are concerned with estimating the *opening* RCV, not the RCV at some future date.
- We estimate the lowest cost way of delivering these outputs by taking Royal Mail's operating expenditures and reducing them by estimated best practice savings according to Oxera's internal benchmarking work. This suggests 1.1-1.8% per annum potential (midpoint of 1.5%), which amounts to a 7.6% reduction after 5 years relative to Royal Mail's opex today.

B. Analysis of intangibles value in competitive people intensive businesses

Intangible assets have been defined as "non-physical sources of probable future benefits to a company that have been acquired, purchased or developed internally at identifiable costs, have a finite life and have market value outside that specific company, and are owned or controlled by the company"⁴. Typically, sources of these intangible assets include expenditures on

- staff acquisition costs such as hiring and training and a portion of informal, on-the-job training
- customer acquisition costs as the sum of sales development and advertising and marketing for new customers
- IT expenditure as the sum of software and hardware spend that is not capitalised

In doing this Postcomm notes that "all or most privatised companies in the gas, electricity and water sectors, including those with a retail business, were floated at less than their net asset value, suggesting that no premium was paid for a brand value or other intangible assets acquired whilst they were a monopoly." However, these are not relevant since the comparators referred to are fixed asset intensive (average

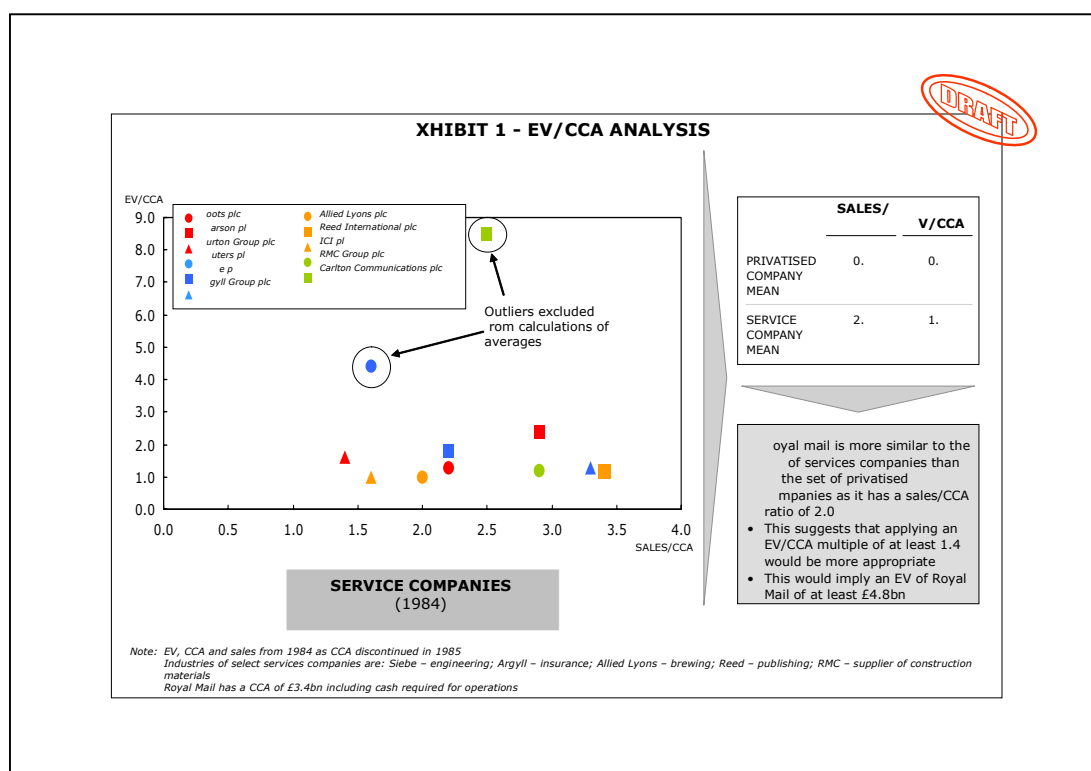
³ 2006 Royal Mail Price and Service Quality Review, Postcomm, pg. 102, para 7.50.

⁴ Assessing Profitability in Competition Policy Analysis, Office of Fair Trading, pg. 73.

sales/CCA value of 0.8) while Royal Mail is a people intensive business with a sales/CCA value of 2.0.

We have examined the ratio of enterprise value (EV) to tangible asset value for two samples of companies in competitive industries:

- Direct CCA values:** This sample comprises services companies before 1986, when public disclosure of CCA values for non-regulated businesses was discontinued. The average sales/CCA of this sample is 2.4, making them comparable to Royal Mail in terms of people intensity. This sample possesses an average EV/CCA of 1.4, even when companies with particularly high EV/CCA values are excluded. This could imply a valuation of Royal Mail of c.£4.8bn.



- Fixed asset values:** Since current accounting practice does not require non-regulated companies to quote their CCA values, we have analysed the EV/fixed asset ratio of all companies in the FTSE All Share with a similar degree of people intensity to Royal Mail (Royal Mail's sales/fixed asset ratio is 4.6⁶). Including all FTSE All Share companies with sales/fixed assets between 2.0 and 7.2 (mean sales/tangible asset ratio of 4.5) results in an

⁶ Royal Mail had sales of £6,016m for its price controlled products and total fixed assets of £1,464m for Royal Mail Group plc in 2004/5

EV/fixed asset ratio of 6.2. This EV/fixed asset ratio implies a valuation of Royal Mail of £9.0bn. Even if the sample is narrowed around Royal Mail's people intensity level to include only FTSE All Share companies with sales/fixed assets between 4.0 and 5.0 (mean sales/tangible asset ratio of 4.4) the result is an EV/fixed asset ratio of 5.6. This could imply a valuation of Royal Mail of £8.2bn.

This analysis therefore suggests that people intensive competitive businesses have an EV significantly greater than their CCA or tangible asset value. Given that this value cannot be attributed to monopoly power for the sample selected, it seems reasonable to conclude that people intensive businesses, of which Royal Mail is one, have an important intangible asset component reflected in their market valuations.

C. An analysis of the cost of greenfield entry

Building a company from scratch involves not only acquiring tangible assets but also hiring labour, training the workforce both formally and by financing low productivity while workers come up the learning curve, acquiring customers, setting up IT systems and searching for property. In other words, it also involves acquiring intangible assets.

Given our assumption that the entrant replicates the *current* functionality of the network we assume that tangible investments amount to the depreciated replacement cost value of Royal Mail's physical assets, namely £3.4 billion (Exhibit 6 below)⁷. These figures are therefore exactly in line with the main submission document "bottom up" CCA valuation of tangible assets.

This implicitly assumes that the USO entrant can acquire tangible assets at depreciated cost, which would be difficult in practice for 70 mail centres – unless the entrant purchased these machines from Royal Mail. If the entrant in fact had to acquire new machines and other fixed assets then the tangible investments could amount to substantially greater than the £3.4 billion above.

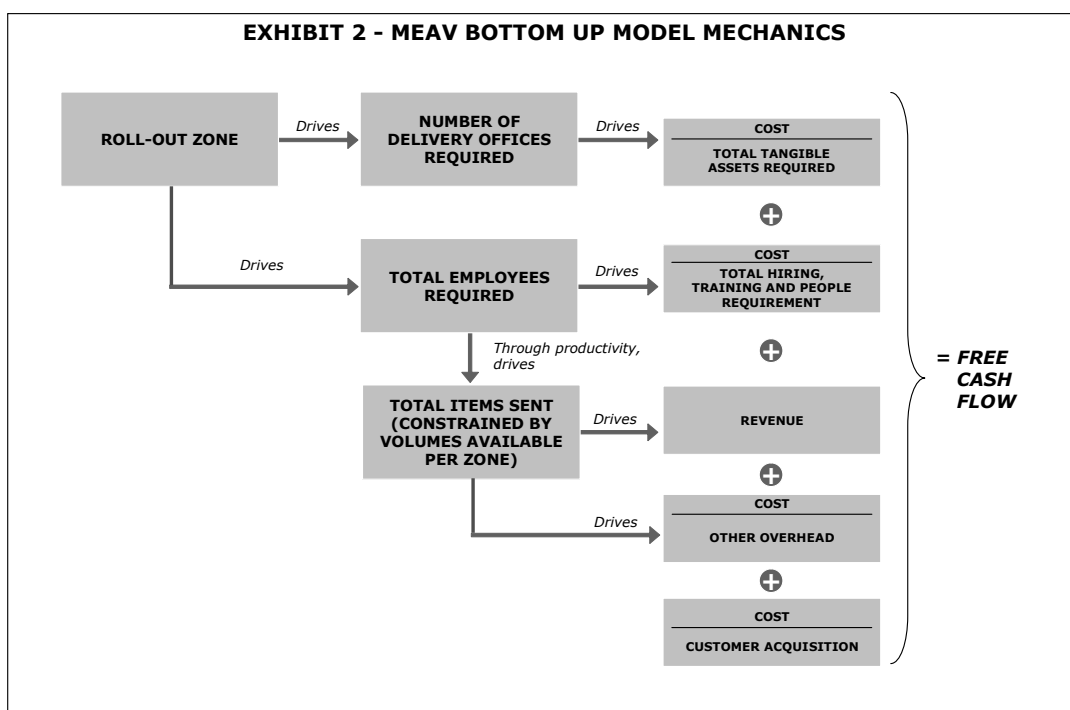
In our MEAV approach we assume that the greenfield entrant would replicate Royal Mail's universal service network by building out to one new delivery zone a year. In the highest year of recruiting (moving to Zone 3), this implies that the new entrant would hire 70,200 new FTEs which implies faster growth than any private sector rollout we are aware of. For example Tesco, the UK's largest private sector employer with 250,000 staff, has hired a maximum of 25,000 new workers in any single year since 1995.

The mechanics of the model operate as follows: as the new entrant builds out to a new zone, it incurs tangible capex proportional to the number of delivery offices it builds. It also hires the minimum number of people required to conduct the operations of that zone. The volumes that flow through are constrained by the productivity of the workers, which is assumed to be 50% of steady state in their first year of employment

⁷ This includes Royal Mail's capitalised leased assets.

(based on LECG’s high case which accepts a need for “two entry people to do the job of a competent employee for one year”)⁸.

This approach is applied and summarised below commencing with a diagram to illustrate the approach in Exhibit 2 and Exhibit 3 shows the metrics that result from the analysis. The detailed assumptions behind this analysis are laid out in the subsequent pages. They represent conservative estimates of the investment that a new entrant would need to make.



Such a greenfield business could be expected to break even in year 5 and reach maximum negative cumulative cashflow in year 4. As shown in Exhibits 4 and 5, the cumulative cash investment required by the greenfield USO entrant to build a company with the infrastructure and services of Royal Mail is £5.3bn excluding financing costs. Including financing costs (assuming a 10% cost of capital), the cumulative cash investment for the new entrant is £6.1bn.

The investment required in tangible and intangible assets is £7.0bn. £3.4bn of this is investment in tangible assets whilst £3.6bn is investment in intangible assets

⁸ LECG, Future of efficient costs of Royal Mail’s regulated Mail activities, June 2005, pg. 293, Paragraph 16.68

(Exhibits 6 and 7). If financing costs are appropriately included, this could increase the costs to as high as £8.4bn.

We have not applied depreciation to the intangible assets during the start-up phase since we are concerned with calculating the cumulative cash requirement of the USO entrant. Furthermore it is natural to assume that the entrant would be investing to replenish these intangible assets as they decay, so maintaining the value of the intangible assets through time.

In summary, this paper has attempted to estimate the value of Royal Mail's Letters business, based on the investments required to replicate a business that is functionally equivalent to Royal Mail, developing further some of Postcomm's statements on this subject. This analysis indicates that:

- A conservative estimate of this replication cost could be between £5.3-£8.4bn.
- Investment of c£3.6bn could be needed to create the intangibles assets necessary to support the business. These intangibles include inter alia: IT development, Training, Hiring, Marketing and Branding, Property Search and financing costs, in addition to £3.4bn for tangible assets.

EXHIBIT 3 - OPERATING METRICS

		Years	1	2	3	4	5	6	10
ROLL OUT METRICS	Zones entered	#	1	2	3	4	5	5	5
	Delivery offices	#	47	332	948	1,335	1,377	1,377	1,377
	Experienced colleagues:	#	0	4,621	29,571	99,803	145,403	159,257	159,257
	New colleagues	#	4,621	24,951	70,232	45,600	13,854	0	0
	Total number of colleagues	#	4,621	37,842	108,055	152,167	156,954	156,954	156,954
	IT systems investment	£m	9	58	186	227	116	18	0
	Revenue per unit	£	0.29	0.29	0.29	0.29	0.29	0.29	0.29
	Opex per unit	£	0.66	0.45	0.39	0.29	0.26	0.25	0.25
	Ongoing salaries per unit	£	0.33	0.28	0.25	0.19	0.17	0.17	0.17
KPIs	Total volumes	#m	325	2,404	9,096	17,239	21,419	22,069	22,069
	Items/FTE	#000	70	64	84	113	136	141	141
	Items/DO	#m	6.9	7.2	9.6	12.9	15.6	16.0	16.0
FINANCIAL METRICS	Revenues	£m	95	701	2,653	5,028	6,247	6,437	6,437
	Tangible capex	£m	117	709	1,533	963	105	-	-
	Intangibles and opex	£m	224	1,139	3,752	5,309	5,643	5,538	5,520
	Free cashflow	£m	-246	-1147	-2632	-1245	500	899	917

EXHIBIT 4 - CASHFLOW OF GREENFIELD MAIL COMPANY

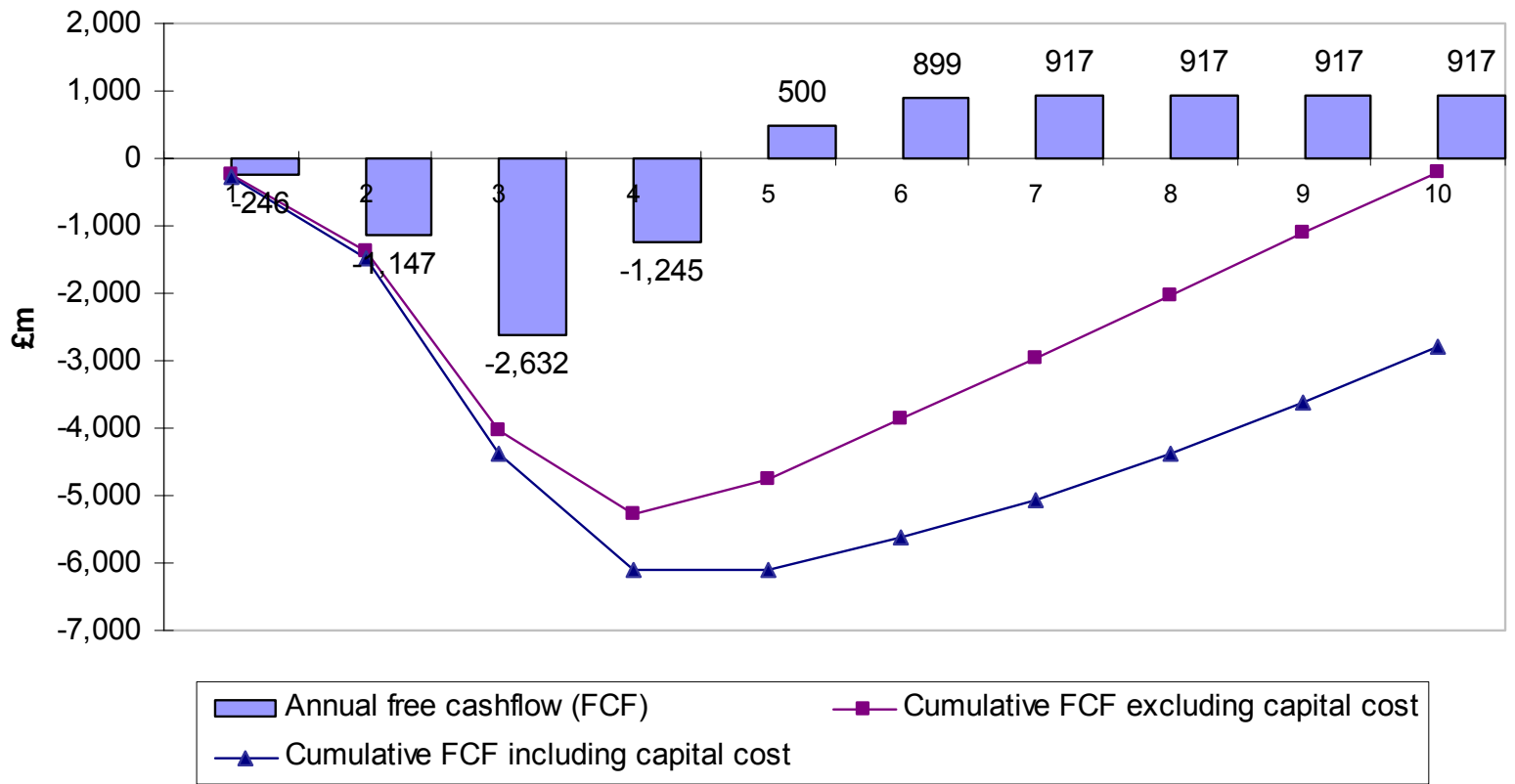


EXHIBIT 5 - SUMMARY CASHFLOW

Year	1	2	3	4	5	6	7	8	9	10	
Revenues	£m	95	701	2,653	5,028	6,247	6,437	6,437	6,437	6,437	6,437
Tangible capex	£m	117	709	1,533	963	105	0	0	0	0	0
Intangibles and opex											
IT systems set-up	£m	9	58	186	227	116	18	0	0	0	0
Training											
Startup training	£m	6	33	92	60	18	0	0	0	0	0
Ongoing training	£m	0	1	4	12	18	19	19	19	19	19
On the job training	3648.2 £m										
<i>Total training</i>	£m	6	33	96	72	36	19	19	19	19	19
Hiring	£m	8	41	115	75	23	0	0	0	0	0
Salaries	£m	106	679	2,293	3,341	3,659	3,659	3,659	3,659	3,659	3,659
Marketing											
Initial marketing investment	£m	4	32	120	227	281	0	0	0	0	0
Ongoing marketing	£m	0	0	0	0	0	290	290	290	290	290
<i>Total marketing</i>	£m	4	32	120	227	281	290	290	290	290	290
Other overhead	£m	12	88	332	630	782	806	806	806	806	806
Accommodation and vehicles	£m	45	208	610	739	745	745	745	745	745	745
Property search	£m	34	0	0	0	0	0	0	0	0	0
Total intangibles and opex	£m	224	1,139	3,752	5,309	5,643	5,538	5,520	5,520	5,520	5,520
Free cash flow	£m	-246	-1,147	-2,632	-1,245	500	899	917	917	917	917
Cumulative free cash flow	£m	-246	-1,394	-4,026	-5,271	-4,771	-3,872	-2,955	-2,038	-1,120	-203
Capital charge	£m	-12	-82	-271	-465	-502	-432	-341	-250	-158	-66
Cumulative capital charge	£m	-12	-94	-365	-830	-1,332	-1,764	-2,106	-2,355	-2,513	-2,579
Cumulative cash flow including capital charge	£m	-259	-1,488	-4,391	-6,101	-6,103	-5,636	-5,061	-4,393	-3,634	-2,783

EXHIBIT 6 - ASSETS OF GREENFIELD ENTRANT

Breakdown of tangibles

TANGIBLE ASSETS	CCA VALUE, ROYAL MAIL SUBMISSION	COMMENT
• PROPERTY	968	• In use valuation as per valuation by Atis Real
• PLANT AND MACHINERY	255	} • Indexed historical cost using asset specific price indices
• VEHICLES	188	
• FIXTURES, FITTINGS AND PROPERTY FIT OUT	740	
• OTHER ASSETS	214	
• CASH/WORKING CAPITAL	281	• Includes assets such as bicycles
• LEASED PROPERTY	739	• Cash required for operations
• LEASED VEHICLES	44	• Capitalised at a rate of 8.5% in perpetuity
TOTAL	3,428	
INTANGIBLE ASSETS		
TOTAL**	3,612	
• ACCRUED CAPITAL CHARGE	1,332	• Accrued charge on capital at point when new entrant's operations equivalent to Royal Mail (end year 5)
TOTAL ASSETS	8,372	

EXHIBIT 7 - ASSETS OF GREENFIELD ENTRANT

£ million

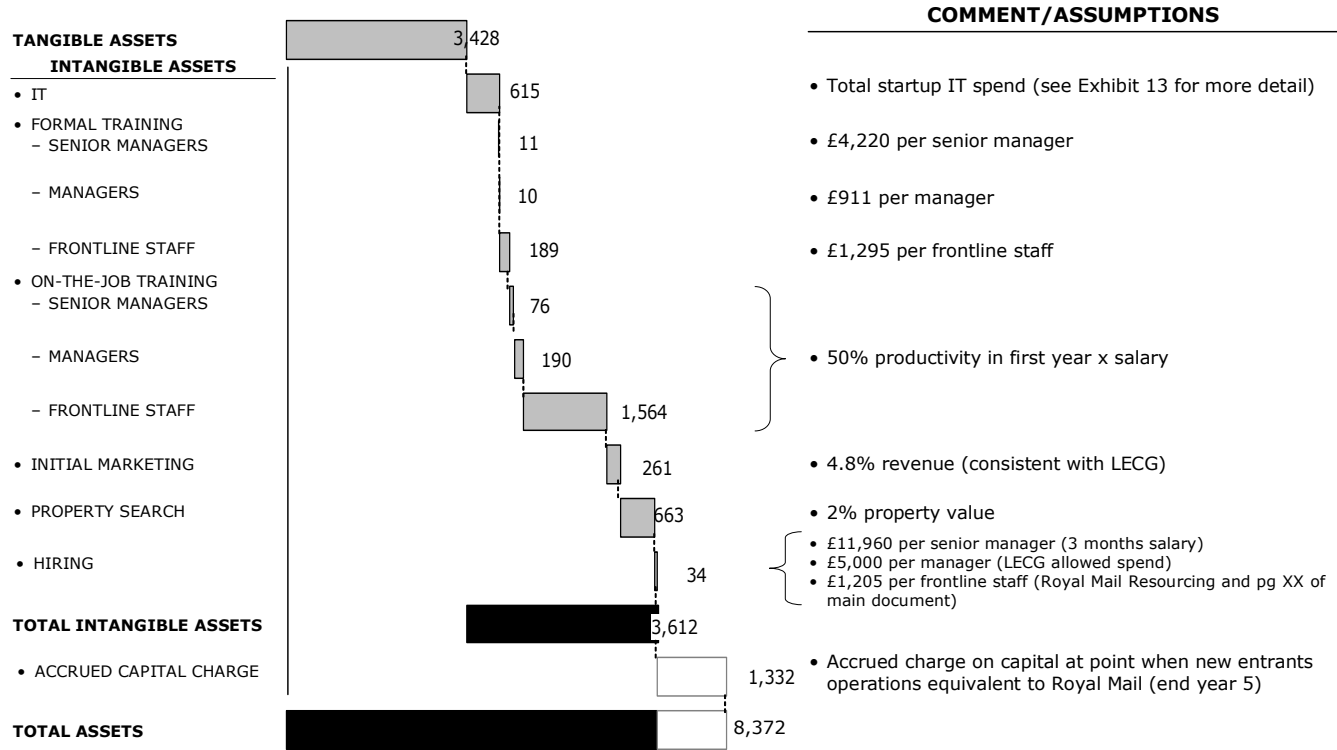


EXHIBIT 8 - MEAV ASSUMPTIONS (1/4)

DETAIL	ASSUMPTION	SOURCE/RATIONALE
OPERATIONS	<ul style="list-style-type: none"> • Delivery offices per zone <ul style="list-style-type: none"> • Zone 1: 47 • Zone 2: 285 • Zone 3: 616 • Zone 4: 387 • Zone 5: 42 	<ul style="list-style-type: none"> • Royal Mail Strategy
	<ul style="list-style-type: none"> • Number of colleagues after efficiency factor <ul style="list-style-type: none"> - Senior managers 2,511 - Managers 11,044 - Frontline 145,702 	<ul style="list-style-type: none"> • Royal Mail Training and Development
	<ul style="list-style-type: none"> • Volumes (end-state) 22.1bn 	<ul style="list-style-type: none"> • Royal Mail letters' business volumes, 2003/4, Regulatory Accounts 2004/05, pg. 3
	<ul style="list-style-type: none"> • Addressable volumes by zone <ul style="list-style-type: none"> • Up to zone 1: 0.5bn • Up to zone 2: 6.2bn • Up to zone 3: 14.8bn • Up to zone 4: 21.6bn • Up to zone 5: 22.1bn 	<ul style="list-style-type: none"> • Royal Mail Economics • Actual data only available on volumes received by zone. Assumption made that percentage received in line with percentage sent i.e., if 16% of all mail is received in Zone 1 then 16% of all mail is also sent by Zone 1
	<ul style="list-style-type: none"> • Revenue per unit 29.2p 	<ul style="list-style-type: none"> • Revenues for letters business in 2003/4 (of £6,437m) Regulatory Accounts 2004/05, pg. 9

EXHIBIT 9 - MEAV ASSUMPTIONS (2/4)

	DETAIL	ASSUMPTION	SOURCE/RATIONALE
CAPEX	• Cash for operations	£281m	• Cash required for operations
	• Property	£968m	• Includes freehold property and land
	• Plant and machinery	£255m	
	• Vehicles	£188m	
	• Fixtures and equipment	£740m	• Fixtures and fittings and property fit-out
	• Other assets	£214m	• Other assets e.g. bicycles
	• Leased property	£739m	• Capitalised value of leasehold property
	• Leased vehicles	£44m	• Capitalised value of leases on vehicles
	Total	£3,428m	
IT EXPENDITURE	Total	£615m	• Royal Mail Finance (see attached)
PEOPLE	• New hires a year	Year 1: 4.6k Year 2: 25.0k Year 3: 70.2k Year 4: 45.6k Year 5: 13.9k	• Based on ratio of 1,377 delivery offices to 2.7k senior managers, 11.8k managers and 155.4k frontline staff
	• Salaries	Senior managers: £60,757 Managers: £34,341 Frontline: £21,463 Additional costs: 27% salary	• Assumes daily cost of £184, Royal Mail Training and Development • Assumes daily cost of £104, Royal Mail Training and Development • Assumes daily cost of £65, Royal Mail Training and Development • Required to ensure salary costs in steady state equal to LECG'S BPC staff cost of £3,944m

EXHIBIT 10 - MEAV ASSUMPTIONS (3/4)

	DETAIL	ASSUMPTION	SOURCE/RATIONALE
PEOPLE	• Percentage staff in each zone	Zone 1: 6% Zone 2: 22% Zone 3: 54% Zone 4: 17% Zone 5: 1%	• Royal Mail Strategy (percentage of frontline staff in each zone also applied to senior managers and managers)
	• Startup training	£4,220 per senior manager £911 per manager £1,295 per frontline staff	• Royal Mail Training and Development (see attached) • Royal Mail Training and Development (see attached) • LECG, pg. 292 (original source CIPD): recruitment and training cost = £2,500 – recruitment cost of £1,205 (RM estimate) = £1,295
	• Ongoing training	£391 per senior manager £84 per manager £120 per frontline staff	• Assumes same ratio of startup to ongoing training spend as LECG implicitly assumes for frontline staff • LECG, pg. 294
	• Startup hiring	£11,960 per senior manager £5,000 per manager £1,205	• 3 months salary paid to executive search firm • LECG, pg. 298, consistent with Royal Mail Resourcing
	• On-the-job training – First year productivity as percentage of steady state (investment in learning curve)	50%	• LECG, pg. 293 “need 2 entry people to do the job of a competent employee for one year” • “The average time required to reach 100% efficiency (for a middle management position in a chemical company) was 13.5 months, during which only 8.5 months of productivity was achieved, resulting in 5.0 months of lost efficiency,” The Price Tag of Turnover, Douglas Phillips, Personnel Journal, December 1990

EXHIBIT 11 - MEAV ASSUMPTIONS (4/4)

	DETAIL	ASSUMPTION	SOURCE/RATIONALE
MARKETING	<ul style="list-style-type: none"> Marketing and salesforce investment 	<ul style="list-style-type: none"> 4.8% revenues spent on marketing and salesforce 	<ul style="list-style-type: none"> LECG allowed marketing and salesforce spend for Royal Mail = 4.8% revenues Assume first 5 years (until steady state) marketing spend is investment Dartnell Salesforce Compensation Survey, 1999; salesforce total cost as a percentage of sales: <ul style="list-style-type: none"> Company with over \$250m in sales: 10.1% Business services: 10.5% Virgin Railways spent nearly twice as much on advertising during launch as it does today (Nielsen) Apple, spend as a percentage of revenue (Q2 03–Q2 04): <ul style="list-style-type: none"> Sales spend: 10.3–12.1% Partner and channel spend: 0.7–0.8% Marketing spend: 2.4–2.9% Dell, spend as a percentage of revenue (Q1 03–Q1 04): <ul style="list-style-type: none"> Sales spend: 4.9–5.3% Partner and channel spend: 1.4–1.8% Marketing spend (including advertising): 0.9–1.2%
OVERHEAD	<ul style="list-style-type: none"> Total overhead spend excluding marketing 	<ul style="list-style-type: none"> £806m in steady state Grows at 4p per unit of volume 	<ul style="list-style-type: none"> LECG pg 104, £1096 of 'Other' spend; 'Other' is equivalent to all overheads i.e. Finance, Legal, Strategy, Communications, Company Sec, Security, Regulation and Marketing £209m of marketing (LECG allowed spend on marketing) excluded as is counted separately
ACCOMMODATION AND VEHICLES	<ul style="list-style-type: none"> Rental and maintenance payable to property holdings; vehicle maintenance and network transport costs 	<ul style="list-style-type: none"> £745m Grows at 4p per unit of volume 	<ul style="list-style-type: none"> LECG pg 104, less lease payments of £77m for vehicles and property a year based on capitalised value of leases at 8.5% into perpetuity

* Emetrics.org "Overview of Customer Acquisition Costs," Howard Siebel, 2002

EXHIBIT 12 - TRAINING COST BREAKDOWN FOR SENIOR MANAGERS AND MANAGERS		% Population	Population	Duration	Delegate Days	Cost of Delegate Days Non Productive Time £184	Delegates per course	Number of Courses	Total days of course (Courses x duration)	Cost per course per day	Cost			Weighted average course days	
										Internal	External	Internal + external			
Senior Managers (2678)			2,678						£184						
Leadership and Capability															
	Behavioural Training	100%	2678	4	10712		10	268	1071	£1,500		£1,606,800		4	
High Performance Culture															
	Commercial and competition	100%	2678	5	13390		10	268	1339	£1,500		£2,008,500		5	
Fair and Equitable Organisation															
	Diversity	100%	2678	3	8034		10	268	803	£1,500		£1,205,100		3	
	HR Procedures/IR Framework	100%	2678	8	21424		10	268	2142	£1,500		£3,213,600		8	
Technical															
	Management Information	100%	2678	8	21424		10	268	2142	£1,500		£3,213,600		8	
TOTAL												£11,247,600	£11,247,600	£11,247,600	28
Managers (11778)			11,778						£104						
Leadership and Capability															
	Behavioural Training	100%	11778	4	47112		10	1178	4711	£100	£500	£471,120	£2,355,600	4	
High Performance Culture															
	Commercial and competition	100%	11778	3	35334		10	1178	3533	£100	£500	£353,340	£1,766,700	3	
	Recruitment and Interview Tech @ 25%	25%	2945	2	5889		10	294	589	£100		£58,890		1	
	1st Aid @ 5%	5%	589	3	1767		10	59	177	£100	£500	£17,667	£88,335	0	
	Learn as You Go (Managers Induction)	100%	11778	25	294450		10	1178	29445	£100		£2,944,500		25	
Fair and Equitable Organisation															
	IR Framework	100%	11778	1	11778		10	1178	1178	£100		£117,780		1	
	Safety for Managers	100%	11778	2	23556		10	1178	2356	£100	£500	£235,560	£1,177,800	2	
	HR Procedures	100%	11778	1	11778		10	1178	1178	£100		£117,780		1	
	Diversity (Harassment Investigation)	100%	11778	1	11778		10	1178	1178	£100		£117,780		1	
Technical & Operational Strategy															
	Welcome Induction	100%	11778	1	11778		10	1178	1178	£100		£117,780		1	
	Processing @ 35%	35%	4122	3	12367		6	687	2061	£100		£206,115		1	
	Delivery @ 50%	50%	5889	3	17667		6	982	2945	£100		£294,450		2	
	Collection @15%	15%	1767	3	5300		6	294	883	£100		£88,335		0	
	Management Information (HR MIS)	100%	11778	1	11778		6	1963	1963	£100		£196,300		1	
TOTAL												£5,337,397	£5,388,435	£10,725,832	43

Source: Royal Mail Group IT Finance

EXHIBIT 13	
IT Capital Requirements - Letters Start Up	
	£m
Marketing - postal address database	20
Delivery - delivery point database and walk sequencing	10
Customer services call mangement	15
Customer management database	30
HR and payroll	30
Operational track and trace (inland and international)	35
Operational automated sorting	100
Sales order fulfillment (pre advice, rev protect, CDI and billing)	50
Production control - time recording, manpower planning	35
Unaddressed mail booking system	5
Machine utilisation	15
Collection planning	15
Logistics control systems	10
Quality and process measurement and diagnostics	40
Network workflow systems	10
Product and sales performance	10
Fleet management	20
<i>Sub Total</i>	<i>450</i>
Enterprise Systems	
Finance management sytsems	40
Strategic decision support	20
Pensions	10
Internet - web portal	15
Ancillary - treasury, property, legal, health & safety, comms, intranet	50
Tools for the job, PC, printers, telephony etc	30
<i>Sub Total</i>	<i>165</i>
Grand Total	615