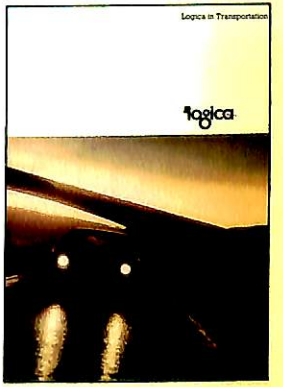
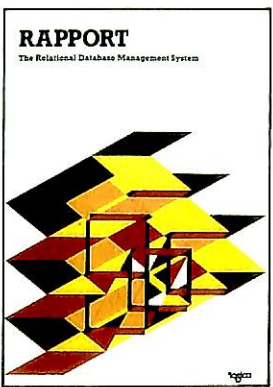
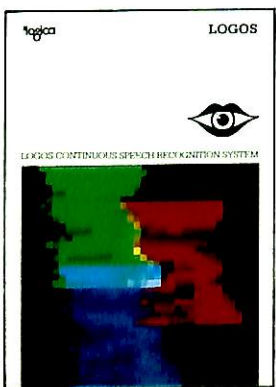
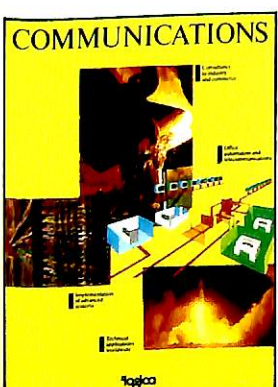
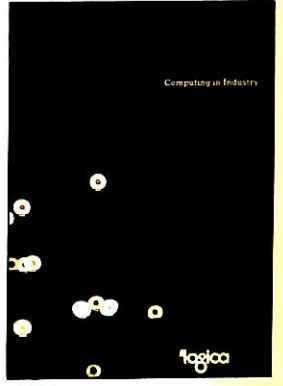
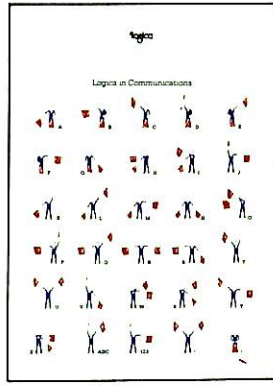
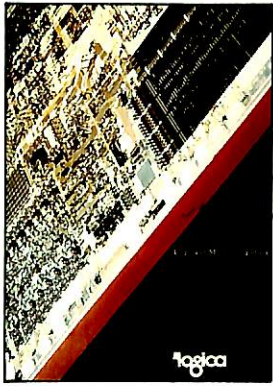
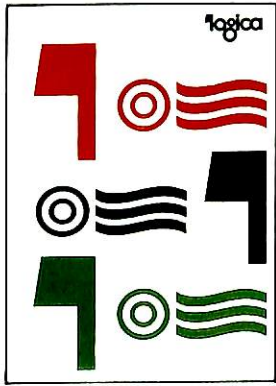
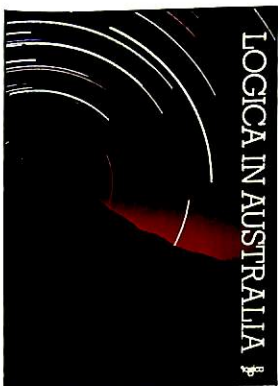
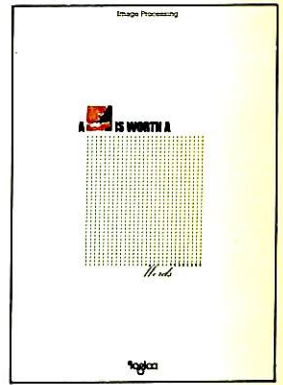
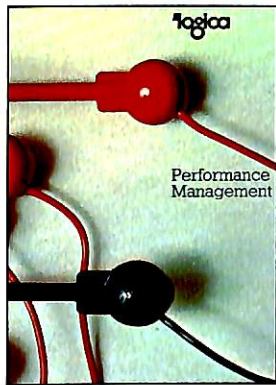
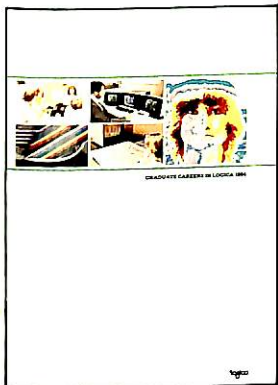
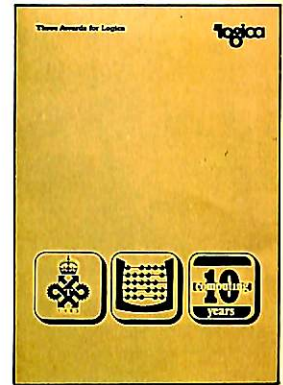
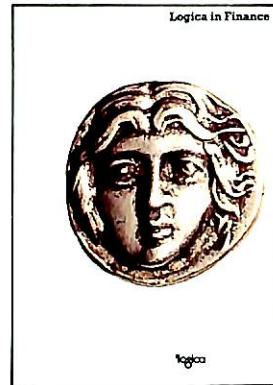
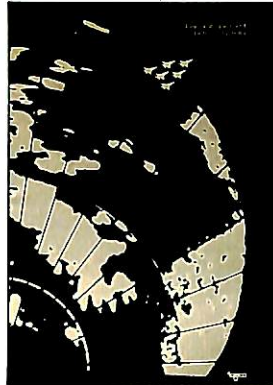


logica

Offer for Sale by Tender by Close Brothers Limited





olivetti



Honeywell

ERICSSON 



SAINSBURY'S



TANDEM



IBM

The Post Office



FERRANTI



S&C

RACAL

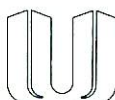


CRAY
RESEARCH (UK) LTD



SIEMENS

AGB



BART
ba



This Prospectus contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to Logica plc ("the Company") and its subsidiaries. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

Copies of this Prospectus, having attached thereto the documents referred to in paragraph 9(ii) of Appendix 3, have been delivered to the Registrar of Companies for registration.

Application has been made to the Council of The Stock Exchange for the whole of the share capital of the Company, issued and now being issued, to be admitted to the Official List.

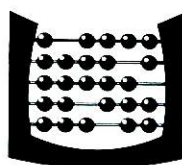


Logica plc

(Incorporated in England under the Companies Acts 1948 to 1981
with Registered No. 1631639)

Offer for Sale by Tender by Close Brothers Limited

of 10,400,000 Ordinary Shares of 10p each at a minimum tender price of
140p per share, the price tendered being payable in full on application



Share Capital	Authorised £3,750,000	in Ordinary Shares of 10p each	Issued and now being issued fully paid £3,500,000
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The Ordinary Shares now offered for sale will rank in full for all dividends hereafter declared or paid on the Ordinary Share capital of the Company.

The application list for the Ordinary Shares now offered for sale will open at 10.00 a.m. on Thursday, 27th October, 1983 and may be closed at any time thereafter. The procedure for application and an Application Form are set out at the end of this Prospectus.

Shareholders

Shareholders immediately after the Offer for Sale are set out below:

	Per cent. of issued share capital
Directors, Staff and Associates:	38.4
Existing Institutions:	31.9
Airways Pension Scheme	
CIN Industrial Investments Limited (on behalf of the NCB Pension Funds)	
Groupe Drouot	
F & C Management Limited	
Provincial Insurance PLC	
Safeguard Industrial Investments PLC	
Skandia Insurance Company Limited	
Stichting Shell Pensioenfond	
The Scottish Investment Trust PLC	
Public:	29.7
	<hr/> 100.0 <hr/>

The table above excludes any applications for shares by Staff, their associates or Existing Institutions under the Offer for Sale and, where applicable in relation to Existing Institutions, includes shareholdings of investment trusts, unit trusts or funds managed by such institutions or which own them.

Indebtedness

At the close of business on 30th September, 1983 the Company and its subsidiaries had outstanding bank overdrafts of £4,630,700 (of which £125,708 was secured), leasing commitments of £382,635, hire purchase commitments of £287,645 and guarantees of £668,117. Save as aforesaid and apart from intra-group liabilities, at the close of business on 30th September, 1983 neither the Company nor any of its subsidiaries had any loan capital (including term loans) outstanding, or created but unissued, or any outstanding mortgages, charges, or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire-purchase commitments or guarantees or (except for contingent liabilities arising in the ordinary course of business) other material contingent liabilities.

At the close of business on 30th September, 1983 the Company and its subsidiaries had aggregate cash balances of £642,715.

For the purposes hereof amounts in foreign currencies have been translated into sterling at the relevant rates of exchange on 30th September, 1983.

Principal Definition

In this Prospectus "Logica" shall mean Logica plc and its subsidiaries, or previous ultimate holding companies and their subsidiaries, or, where the context requires, Logica plc or any of its appropriate subsidiaries.

Key Information

The information below should be read in conjunction with the full text of this Prospectus from which it is derived.

Business	<p>Logica is a leading European independent computer software, consultancy and products company, with an international capability and reputation.</p> <p>Logica was established in 1969, has grown in turnover and staff every year, and currently has some 1,600 employees.</p> <p>Logica's activities comprise:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Consultancy and Project Management <input type="checkbox"/> Custom-built Systems: Software and Hardware <input type="checkbox"/> Software Products <input type="checkbox"/> Office Automation <p>Logica's clients are mainly large companies or government departments and are broadly spread over many market sectors.</p> <p>Logica has operating subsidiaries in seven countries and has undertaken projects in over 40 countries.</p>
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Trading Record	Years ended 30th June				
	1979	1980	1981	1982	1983
Turnover (£'000)	12,914	17,905	25,853	33,168	42,185
Profit before taxation (£'000)	1,091	498	2,068	2,159	3,346
Number of staff (at year end)	728	894	1,031	1,160	1,475

Offer for Sale Statistics	Minimum tender price	140p
	Number of Ordinary Shares of 10p each in issue after the Offer for Sale	35,000,000
	Market capitalisation	£49.0 million
	† Adjusted earnings per Ordinary Share for the year ended 30th June, 1983:	
	(a) after actual tax charge	7.3p
	(b) after notional 52% tax charge	5.3p
	Price earnings multiple (based on adjusted earnings):	
	(a) after actual tax charge	19.1
	(b) after notional 52% tax charge	26.6
	Gross dividend yield	
	(based on indicated net dividend of 1.0p per Ordinary Share for the year ending 30th June, 1984)	1.02%
	Net tangible assets as at 30th June, 1983 per Ordinary Share (together with net proceeds of £5.15 million)	42.9p
	Percentage of enlarged issued share capital being marketed:	
	by the Company	12.1%
	by existing shareholders	17.6%
		29.7%

† Calculated in accordance with Note (viii) in Section 2 of the Accountants' Report set out in Appendix 1

Directors and Advisers

Directors	Philip Arthur Booley Hughes , CBE, MA (Cantab.)	(Chairman)
	Leonard Arthur Taylor , MA (Oxon.), MSc	(Managing Director)
	Patrick Joseph Coen , BSc, PhD, DIC	
	Peter Crooks Harbidge , MA (Oxon.)	
	David William Mann , MA (Cantab.)	(Deputy Managing Director)
	David Mark Kenyon Matthews , BSc	
	Gordon Naizby Olson , BSc	
	Neil John Prebble	
	Colin Gilbert Rowland , MA (Oxon.), D Phil	
	Robert George Varley , FCA	(Financial Director)
	all of 64 Newman Street, London W1A 4SE.	
	Professor Dr. Carl Johan Friedrich Böttcher ,	(Non-executive Director)
	Nieuwe Schoolstraat 2a, 2514 HX The Hague, Netherlands.	
Secretary and Registered Office	Robert George Varley , FCA 64 Newman Street, London W1A 4SE.	
Issuing House	Close Brothers Limited , 36 Great St. Helen's, London EC3A 6AP.	
Stockbrokers	Hoare Govett Limited , Heron House, 319/325 High Holborn, London WC1V 7PB and 27 Throgmorton Street, London EC2N 2AN.	
Auditors and Joint Reporting Accountants	Robson Rhodes , Chartered Accountants, 186 City Road, London EC1V 2NU.	
Joint Reporting Accountants	Price Waterhouse , Chartered Accountants, Southwark Towers, 32 London Bridge Street, London SE1 9SY.	
Solicitors to the Company	Clifford-Turner , Blackfriars House, 19 New Bridge Street, London EC4V 6BY.	
Solicitors to the Offer for Sale	Freshfields , Grindall House, 25 Newgate Street, London EC1A 7LH.	
Principal Bankers	National Westminster Bank PLC , 21 Lombard Street, London EC3P 3AR.	
	Barclays Bank PLC , 15 Great Portland Street, London W1A 4TR.	
	Algemene Bank Nederland NV , Blaak 28/34, 3000 DG Rotterdam, Netherlands.	
Receiving Bankers	National Westminster Bank PLC , New Issues Department, PO Box 79, 2 Princes Street, London EC2P 2BD.	
Registrars and Transfer Office	Close Registrars Limited , Arthur House, 803 High Road, Leyton, London E10 7AA.	

History

Logica was founded in **1969** by a group of five people, including Philip Hughes, Len Taylor and Patrick Coen. Philip Hughes and Len Taylor, who were the initial executive directors, had already held senior management positions in the industry and had previously worked together for eight years.

From the beginning Logica set out to establish high technical standards and to achieve a prominent position in its markets of high technology consultancy and services. The success of this policy was reflected in Logica's ability to attract expert staff and to secure important contracts against larger and more established competitors.

The growth and diversification of Logica have been rapid and sustained. Both turnover and staff numbers have grown every year since its foundation. By the year ended 30th June, **1983** it had achieved a turnover of £42 million. It currently has some 1,600 employees in seven countries.

Logica's growth has been primarily from internal development which has been fuelled by a record of profitability and a policy of retaining profits. However, as a complement to this, Logica has also made a number of acquisitions, notably the operations of T.C. Hudson Associates Limited (**1972**), Freyberg Systems Associates, Incorporated (**1981**) and Planning Research Corporation (Australia) Pty. Limited (**1983**).

Logica has emphasised overseas expansion and is one of the leading exporters of computer consultancy and software services from the UK. However it has increasingly serviced its international business through operating subsidiaries in different countries of the world, namely the Netherlands (established in **1973**), Australia (**1975**), Sweden (**1977**), the US (**1979**), Belgium (**1980**) and West Germany (**1983**).

Logica obtained its original finance from Planning Research Corporation ("PRC"), a listed US professional services company. After an initial period Logica's staff held a voting majority of the shares while PRC's shareholding entitled it to a majority of the profits and assets.

Early in **1979** PRC sold its shareholding in Logica and the National Enterprise Board ("NEB") became a shareholder providing both equity and loan finance. In December **1979**, institutional shareholders also subscribed for additional equity. In **1982** the NEB realised its investment in Logica and, as part of the resulting reorganisation, further institutional investors were introduced. At that time £1.5 million was raised to expand working capital.

In **1979** Logica decided to establish a division, which had been working on word-processing systems, as a separate operating company called Logica VTS Limited ("VTS"). The NEB provided separate funding for this. A subsidiary of the NEB, Nexos Office Systems Limited ("Nexos"), entered into supply and marketing arrangements with VTS which were later terminated in **1982**. At that time, International Computers PLC ("ICL") signed an agreement with VTS involving volume orders for word-processors and a research and development contract.

Logica's record of technological achievement has been recognised recently by the following awards:—

November **1982** — the British Computer Society's annual award for Technological Achievement for its work on continuous speech recognition

February **1983** — a citation by Computing newspaper as "the UK company which in the opinion of Computing's panel of experts made the greatest contribution to Information Technology during the decade 1973-1983"

April **1983** — the Queen's Award for Technology to VTS for its word-processor.

Logica has become the largest independent UK software company, measured by turnover or number of staff.

Description of Activities

Logica's activities can be divided into four broad categories, which contributed to turnover for the three years ended 30th June, 1983 approximately as follows:

	<i>Per cent.</i>		
	<i>1981</i>	<i>1982</i>	<i>1983</i>
Consultancy and Project Management	29	27	19
Custom-built Systems: Software and Hardware	47	52	48
Software Products	4	5	10
Office Automation	20	16	23
	<u>100</u>	<u>100</u>	<u>100</u>

Office automation contributed approximately 37 per cent. of Logica's profit before taxation in 1983 (1982 – 19 per cent.; 1981 – 17 per cent.). In its other activities Logica analyses its profit by its professional operating units, which encompass more than one of the categories set out above.

Each of Logica's major activities reinforces the others. Consultancy can often lead to contracts for the provision of custom-built software and hardware. Client projects can lead to the development of new services and products. Product design and manufacture provide first-hand experience which strengthens Logica's consulting capability.

Consultancy and Project Management

Logica undertakes consultancy assignments in computing, communications, office automation and management sciences for a wide range of clients. Examples include designing and managing the installation of worldwide corporate telecommunications for multi-national companies, defining overall data-processing policies for organisations, specifying detailed requirements in computing and communications and assisting clients to select suppliers, negotiate contracts and install and manage systems. Management sciences projects involve planning models for businesses and government administrations, such as health and social security, to improve investment and operational decisions.

In addition to its work for users, Logica has established a strong position as an adviser to the computing and telecommunications industries on product policy, marketing strategy and detailed market research. Work includes advice to major US and Japanese companies seeking information on the European market, market forecasts for European and Australian telecommunications authorities on data transmission and new communications services and detailed product definition studies for manufacturers in Europe and the US. In addition to specific consultancy projects for individual clients, Logica also undertakes multi-client and industry-wide studies.

Custom-built Systems: Software and Hardware

The largest activity of Logica is designing and building complex software. Clients are usually large organisations, themselves sophisticated and expert users of computers. Logica's role is to supply systems that draw upon its special capabilities in real-time control and communications. Logica works on equipment of most of the world's major suppliers of mainframe, mini and micro computers.

Logica often acts as prime contractor for the turnkey supply of computer systems. As Logica has grown so has its ability to compete with the major electronic companies for steadily larger contracts. Such contracts, which involve the responsibility for managing the work of sub-contractors, are normally based on standard products purchased by Logica from computer manufacturers at a discount under OEM (original equipment manufacturer) agreements.

In addition to using standard hardware, Logica also designs and manufactures its own special purpose hardware. This enables Logica to address the needs of clients both by custom-built software, which tailors general purpose computers to solve specific applications, and by custom-built hardware. Logica has consistently maintained this dual capability rather than just being a software house, and the Directors consider that this has been a major factor in its growth, distinguishing it from many competitors.

Software Products

Logica designs and sells re-usable elements of software. Such software products, which in some cases include specially configured hardware, fall into two categories – those which Logica calls "systems kernels" that are used as components in the supply of custom-built computer systems and those that are sold in volume as standardised products in their own right. Royalties are payable by Logica on the sale of some of these products.

A systems kernel is used as the basis for constructing a number of computer systems for similar applications. Each project involves some modification and often substantial additions to the systems kernel. However, its existence enables Logica to transfer previously developed expertise to projects around the world and to provide lower cost and more highly tested software to clients. For the banking industry, systems kernels such as FASTRX[™] and FASTRAN[™] form the base of funds transfer systems, whilst DIDS[™] provides an integrated display system for foreign exchange dealing rooms. For the television industry Logica supplies CONTEXT, which enables television companies to implement teletext, and FLAIR[™] which provides facilities for the creation and manipulation of pictures stored in electronic form. For the energy industry and utilities MASTER CONTROL[™] forms the basis of control systems for gas, oil and water storage and distribution. INSIGHT[™] and LOGOS[™] provide facilities for image processing and continuous speech recognition respectively in various applications.

Logica also sells general purpose and standardised software products, primarily RAPPORT[®] and XENIX. RAPPORT is a sophisticated relational database system designed by Logica to run on a wide variety of computers. XENIX, developed in the US, is an enhanced version of UNIX. UNIX is becoming one of the world's de facto standard computer operating systems. (XENIX and UNIX are respectively trademarks of Microsoft and Bell Laboratories.)

Office Automation

As one of the pioneers of software design for word-processing, Logica has been involved in office automation since the early 1970s. It developed UNICOM, an advanced multi-user system, for Unilever. Since then Logica has continued to increase its specialist expertise in word-processing software and local area networks. This in turn led to the establishment of volume manufacturing facilities in Swindon in 1980.

Logica currently designs, manufactures and sells the VTS 2200[™] range of word-processors, powerful single-user units, developed from the VTS 100[™], which was first launched by Logica in 1978. The Directors believe that sales of the VTS 2200 range both direct, through Logica's own sales force, and through distributors currently account for over 20 per cent. of total annual sales of such machines in the UK. In the last financial year 13 per cent. of Logica's turnover (58 per cent. of its turnover for office automation activities) resulted from sales of the VTS 2200 to ICL under a distribution agreement which is described under the next section "Market Sectors and Clients – office automation".

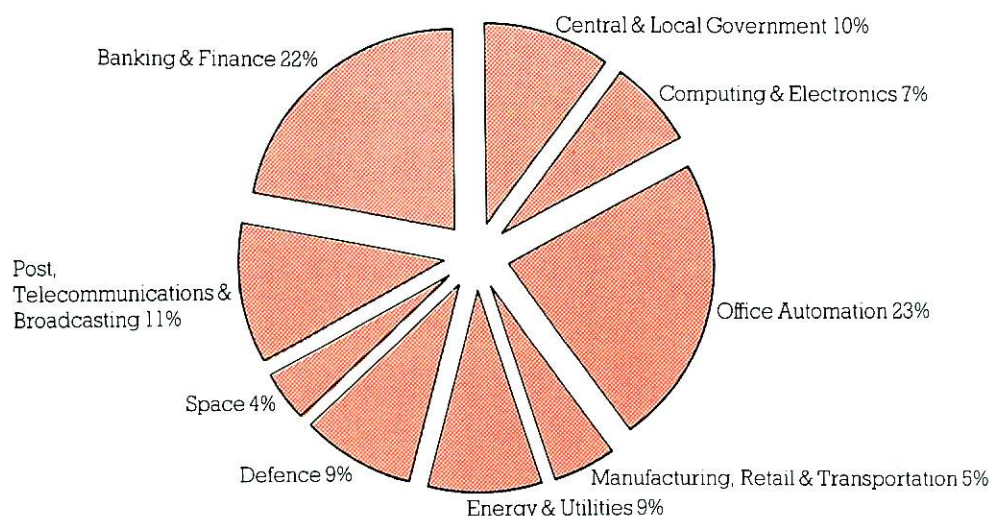
Logica also manufactures and sells POLYNET[®], which is a local area network based on the Cambridge Ring technology. Systems are now installed in the UK, the US, Australia, Switzerland, Yugoslavia and Italy. Logica also manufactures and sells the VITESSE[™], a 16 bit personal business computer, based on the VTS 2200 hardware design.

The Directors believe that Logica has one of the leading software development teams in Europe in word processing and local area network technology. Development of the next generation of office automation products is well advanced.

Market Sectors and Clients

Logica has a wide base of clients from very diverse market sectors. The Directors believe that the quality of Logica's clients and the diversity of the applications of Logica's work distinguish it from the variety of companies which constitute its competition. They also believe that the wide spread of Logica's work over a number of sectors is of particular benefit in that at any one time any market weakness in some sectors is likely to be balanced by the strength of other sectors.

Logica's turnover for the year ended 30th June, 1983 can be approximately divided into the following sectors:-



Logica's activities are summarised below by sector. At the end of each sector there is a selection of clients for which Logica has worked during the past two years.

Banking and Finance

From the early 1970s when Logica designed the S.W.I.F.T. network, the international funds transfer system, it has had a specialist position in the design and implementation of real-time communications systems for banks. Logica has undertaken projects involving electronic funds transfer, dealer support, automated teller machines, credit cards and many aspects of communications. In the US in particular a large percentage of Logica's operations is in this sector. In the UK, Logica designed and built the gateway software for CHAPS, the automated payment system, which will operate as a funds transfer network linking twelve UK settlement banks and the Bank of England for same day settlement of high value payments. In addition to working for large international banks, Logica is undertaking major projects to build banking systems in developing countries, currently in Iraq and Trinidad. The international spread of Logica's operations is increasingly important to its banking clients.

Algemene Bank Nederland ● Bank of England ● Bankomatcentralen ● Barclays Bank ● Central Bank of Trinidad and Tobago ● Citicorp ● Legal & General ● Lloyd's ● Midland Bank ● Société Générale de Banque/Generale Bankmaatschappij ● S.W.I.F.T. ● Swiss Bank Corporation ● The Chase Manhattan Bank ● The Hong Kong and Shanghai Banking Corporation ● TSB Trust Company.

Defence

Since the early 1970s, Logica has undertaken a wide range of work, such as computer simulation of battlefield operations, software development for computer aided ship design and studies of signal processing systems, for research and development establishments. The activities subsequently expanded to operational systems. For example, Logica is currently conducting studies of planned major communication networks, has carried out a large amount of work for the design and implementation of new torpedo systems, and has contributed towards a number of air defence programmes. In recent years Logica has attached considerable importance to extending its defence activities into multi-nation projects by participation in consortia for Command and Control, and Communications Systems.

Marconi Research Centre ● Royal Armament Research and Development Establishment ● Royal Signals and Radar Establishment ● Royal Netherlands Army ● SHAPE ● The Plessey Company ● UK Ministry of Defence ● Westland.

Space

Logica has had continuous involvement in the European Space Programme since the early 1970s. For example, at Darmstadt it has led consortia to implement satellite control systems including one for handling Europe's meteorological satellite, Meteosat. In the past year Logica staff have worked on the control system for ECS-1, Europe's major new communications satellite, and for EXOSAT, a satellite which is taking x-ray pictures of the universe. Logica is currently working on the software design aspects of new satellites, including ERS-1 for earth monitoring. Logica is working on the on-board software and validating the payload design for HIPPARCOS, the high precision astronomical satellite. Logica provided consultancy on techniques for deep space communications to GIOTTO, which is planned to intercept Halley's Comet in 1985.

British Aerospace PLC, Dynamics Group ● Cray Research (UK) ● Department of Trade and Industry (Space Section) ● European Space Agency ● European Space Operations Centre ● International Telecommunications Satellite Corporation ● Royal Aircraft Establishment.

Post and Telecommunications

Logica carries out work for various national post and telecommunications authorities throughout the world. Projects range from marketing and policy consultancy work to developing and installing message and telex switches and work on data processing for large administrative tasks. Logica is closely involved in developing new technologies and helping authorities to apply them. Examples include work on video conferencing, videotex, and satellite data communications.

American Bell ● British Telecom ● Cable and Wireless ● Eurodata Foundation (collectively for all European PTTs) ● ITT ● Netherlands PTT ● Nippon Telegraph and Telephone Public Corporation ● Postverket ● Telecom Australia ● UK Post Office.

Broadcasting

There is a rapid growth in the use of computer technology within television, with the increasing use of digital technology and developments in direct broadcasting by satellite, cable and teletext. In the early 1970s Logica worked with the BBC to develop the software for CEEFAX, the world's first teletext system. From this early start Logica has become a leader in supplying teletext to broadcasters around the world. Nine countries use, or will soon use, teletext software supplied by Logica. In addition, Logica has provided a picture storage system in Austria, a subtitling system for the deaf in Australia, and software and a multiple microprocessor to monitor and control the network of television transmitters for a commercial television company in the UK.

BBC ● Broadcasting Corporation of New Zealand ● BTQ7 (Brisbane Television) ● CAL Video Graphics ● Channel 4 Television ● Independent Broadcasting Authority ● Keycom Electronic Publishing ● Österreichischer Rundfunk ● Singapore Broadcasting Corporation ● Swiss Broadcasting Corporation.

Central and Local Government

Logica is involved in providing consultancy and software for the large and complex systems required to handle central and local government administration. For example, in Australia Logica has assisted the government with detailed specification and bid assessment of a very large computer system handling social security records. For police forces work includes criminal records, Command and Control, and Communication Systems. Logica has built an automatic fingerprint recognition system for New Scotland Yard that is now the basis of a product being offered to other police forces around the world.

Australian Department of Employment and Industrial Relations ● Australian Department of Administrative Services ● Dutch Home Office Police Department ● Greater Manchester Police ● London Metropolitan Police ● Manpower Services Commission ● The Chartered Institute of Public Finance & Accountancy ● UK Department of Health and Social Security ● UK Home Office ● UK Registrar of Public Lending Right.

Energy and Utilities

The major clients in this sector are the oil, gas and water industries in Europe and the Middle East. Logica has the necessary blend of computing and engineering skills to build integrated telemetry control systems. The MASTER CONTROL systems kernel is used in computer-based monitoring and pipeline control systems. Logica's office in Aberdeen provides services to North Sea operating companies.

Anglian Water Authority ● British Nuclear Fuels Limited ● British Petroleum ● Britoil ● Burmah ● NV Nederlandse Gasunie ● Severn Trent Water Authority ● Shell International Petroleum Company.

Computing and Electronics

In this and other sectors Logica works for the industry of which it is a part. It advises on product strategy and provides market forecasts for computing, electronic and communications equipment. It produces TELEMATICATM, a multi-client study of information technology, which involves forecasts for such products as terminals, computers, communications processors and modems. Logica supplies a range of systems software, particularly communications software, XENIX and RAPPORT to computer manufacturers.

Bull ● Digital Equipment Corporation ● Ericsson Information Systems ● Ferranti plc ● GEISCO ● Honeywell ● IBM ● Japan Radio Company ● Olivetti ● Philips Telecommunicatie Industrie BV ● Racal Data Communications Group ● Siemens ● Standard Telephones and Cables ● Tandem Computers ● The GEC plc ● THORN-EMI plc ● Xerox Corporation.

Manufacturing and Retail

The particular emphasis of Logica's work in these sectors is in the control of manufacturing processes and the automation of the handling of goods, including automated warehousing, as well as communication networks.

Agfa-Gevaert NV ● AGB Research ● AKZO ● British Steel Corporation ● British Sugar ● Ford Motor Company ● Hertz Europe ● ICI Mond Division ● J. Sainsbury ● Rolls-Royce ● The BOC Group ● Unilever.

Transportation

Logica has experience in the control systems associated with transportation. In London software has been developed for ticket automation. In California Logica has a major long term project to help BART to redevelop its integrated control system. In Hong Kong Logica is a member of a British consortium designing the world's first automatic road pricing scheme. Logica wrote the software for one of the world's most advanced motorway signalling systems in the Netherlands.

Civil Aviation Authority ● Fokker ● Hong Kong Government Data Processing Agency ● KLM ● Lockheed Corporation ● London Transport Executive ● Data Processing Division of Rijkswaterstaat ● San Francisco Bay Area Rapid Transit District ● Sea Containers ● Thomas Cook.

Office Automation

Logica has chosen to sell its office automation products mainly through distributors, and therefore the market sector of end-users is usually not known. From its early co-operation with Unilever in 1974, Logica has had successive product development agreements with third parties. Between 1979 and 1982 Logica had a supply and development agreement with Nexos. Since early 1982 Logica has had an agreement with ICL under which it supplies a modified version of its VTS 2200 word processor, which is sold as the ICL 8801 in the UK and elsewhere. ICL has informed Logica that it intends to seek a continuing supply of word-processors from Logica in 1984. To that end ICL and Logica are in negotiations to extend the product supply and enhancement provisions of the current agreement beyond its expiry at the end of 1983. For the purposes of these negotiations ICL and Logica have assumed that the quantities of equipment to be ordered by ICL in 1984 will not be substantially different from those supplied under the agreement in 1983.

Logica also sells office automation products through its own sales force in the UK and has established distributors in eight other countries. To date France has been the most successful overseas area where sales of the VTS 2200 in the last financial year accounted for approximately 10 per cent. in value of total office automation sales during that period.

Logica has recently signed heads of agreement, subject to contract, with a major systems supplier for a distribution agreement under which, subject to timely product development, Logica would supply a new range of multi-functional workstations together with associated hardware and software products. Deliveries under the agreement would commence in the first half of 1984 for an initial period of 12 months with 6 months' notice of termination on either side thereafter. The minimum commitment under this agreement would be in excess of £10 million of products during the initial 12 months.

Logica will continue to seek other distributors for its products, particularly in overseas countries.

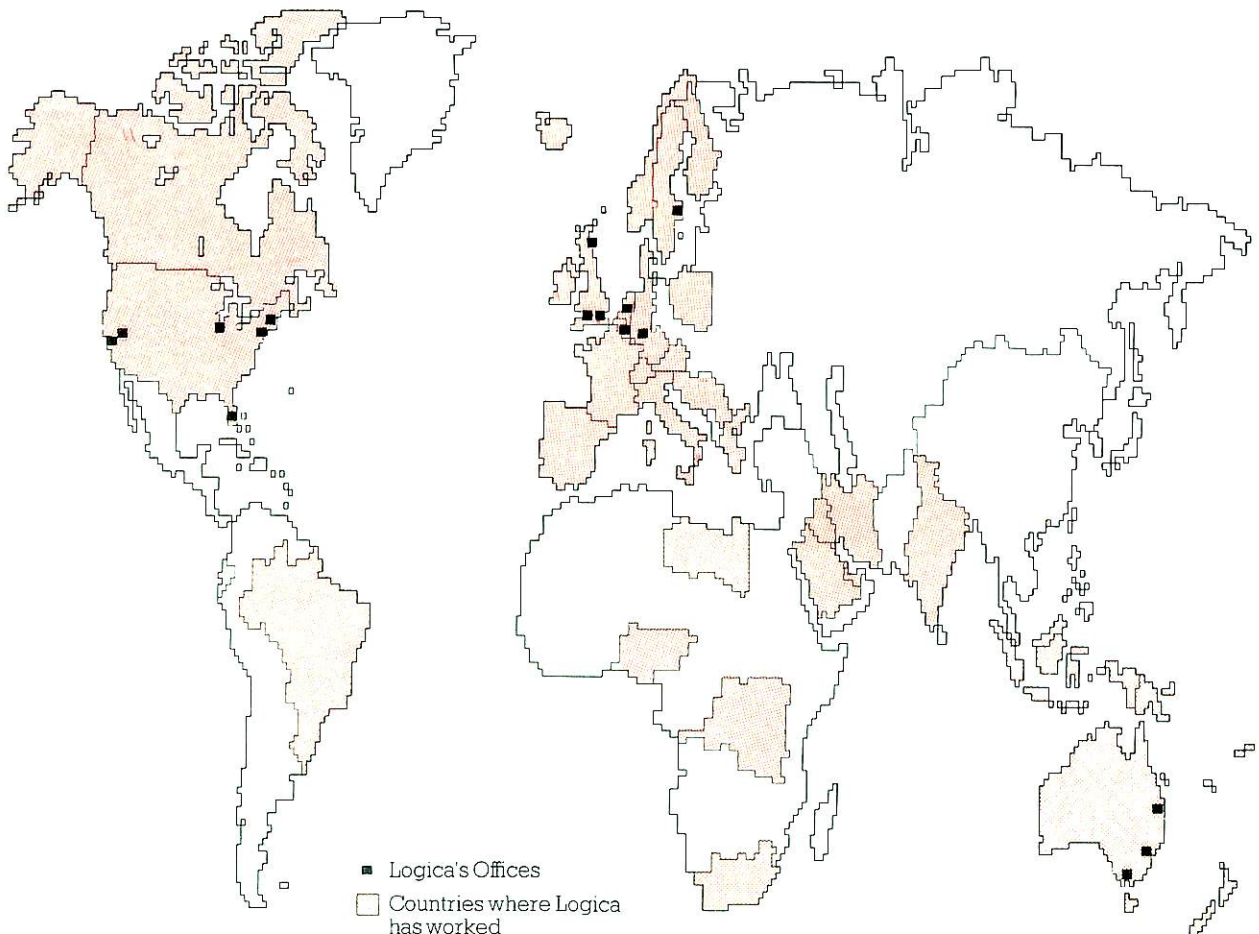
**BICC ● Commercial Union Assurance ● Crown Agents ● Department of Trade and Industry
● Gilman Office Machines ● International Computers Limited ● Jistral ● Kyle Stewart ●
Science and Engineering Research Council ● Shell UK.**

Geographical Diversity

Logica has consistently pursued a policy of geographical diversification. It has operating subsidiaries in seven countries, the UK, the US, the Netherlands, Belgium, Sweden, West Germany and Australia. It has undertaken work in over 40 countries to date. Many overseas projects, in countries where Logica does not have a presence, are handled from the UK and Logica is a leading exporter of software and consultancy services from this country. According to Department of Trade and Industry figures Logica provided approximately 12 per cent. of the total exports of computer consulting and software by the Computer Services Industry in the calendar year 1982.

An analysis of Logica's turnover by location of clients (separately showing office automation, some of which is exported) for the year ended 30th June, 1983 is as follows:

	<i>Per cent.</i>
UK	44
Rest of Europe	16
US	12
Rest of World	5
Office Automation	23



Research and Development

Most of the projects that Logica undertakes for its clients involve the application of advanced technologies. Hence Logica stays very much abreast of research and development in the computer and communications industry. It has formal and informal links with universities and research establishments and it participates in the formulation of national and international standards.

Logica's total expenditure on research and development during the year ended 30th June, 1983 amounted to approximately £3.5 million, of which some £1.2 million was recovered from third parties or by way of grants. While some of this expenditure relates to longer term research activities, such as those mentioned below, most was spent on specific product development. Net expenditure was split approximately equally between software products and office automation products.

In the next two and a half years grants of some £1.2 million in relation to office automation products have been committed to Logica under the UK Government's Support for Innovation Scheme as well as further governmental grants of some £0.4 million for software product development.

The major research activity is Project UNIVERSE which is 50 per cent. funded by the UK Government. In this Logica is co-operating with The GEC plc, British Telecom, the Science and Engineering Research Council and three universities in an experiment to link high speed local area networks via satellite communications. The Directors believe that this project could lead to exploitable technologies.

Logica staff have played a significant role in formulating the Alvey Programme announced earlier this year by the UK Government. Under this programme £350 million (£200 million from the UK Government and the balance from UK industry) is being committed over the next five years to collaborative research and development in advanced Information Technology. Logica is already an active participant in this programme.

The Commission of the European Communities has started the first stage of ESPRIT, a collaborative research and development programme, funded 50 per cent. by governments. Logica has undertaken initial studies for ESPRIT and has had approved a pilot project in Computer Integrated Manufacturing.

Apart from research and development expenditure which is recoverable from third parties, with minor exceptions Logica's practice is to write off such expenditure to the profit and loss account in the period in which it is incurred.

Project Management and Quality Assurance

Depending on the nature of the technical work and on the requirements of clients in different sectors, contracts are undertaken on either a fixed price or a time and materials (fees and expenses) basis. During the year ended 30th June, 1983 time and materials contracts accounted for approximately 60 per cent. of Logica's turnover (excluding product sales), while fixed price contracts accounted for the balance, although there are geographical variations.

Many of the projects undertaken by Logica are complex or on the frontiers of technology. As would be expected in such circumstances, problems can and do occur with some fixed price contracts exceeding their budgets, leading in some cases to significant loss on individual projects. As the size of projects has grown the Directors have laid increasing

emphasis on internal management control systems and disciplines. However the most thorough evaluation and review cannot preclude the possibility of such problems. Although there are risks in fixed price contracts, they do offer the advantages of long-term forward commitments and of greater freedom to control the allocation of resources. Logica's overall exposure is reduced by the number and spread of its contracts.

Logica's wide range of projects is managed by small units of professional staff, operating as separate profit centres and submitting detailed monthly financial and operating reports. Overall control of contracts is exercised by way of defined levels of authority and in accordance with internal procedures known as "Logica standards". These cover bid preparation, contract signature and project methods. Responsibility for developing and monitoring these standards rests with a central department, which reports directly at Board level. Procedures are standardised as far as possible throughout the world by a specific liaison committee. Within Logica UK Limited the overall arrangements for quality control are approved by the Ministry of Defence to their full 05-21 standard.

Competition

Logica is a leading European independent computer software, consultancy and products company, with an international capability and reputation.

The diversity of competition reflects the diversity of Logica's operations. In consultancy and market studies, the main competitors are divisions or subsidiaries of management consultancy firms and the major accountancy partnerships. For the provision of custom-built software, Logica competes with other leading software companies. In the UK, these are well established companies of which some are independent and others are subsidiaries of large international companies. In certain sectors, such as space and broadcasting, competition comes from specialist firms, many of which are subsidiaries of international electronics companies. In office automation the main competition is from international computer hardware or office equipment manufacturers.

Some of Logica's main competitors are also amongst its main clients and Logica may be a client of these same companies. For example, a particular computer manufacturer may at any one time be a client of Logica on one project, on another project it may be a sub-contractor to Logica, while on a third project it may be competing with Logica.

Directors of the Company

Philip Hughes, CBE	Chairman , aged 47. After obtaining degrees in Mechanical Sciences and Economics at Cambridge University, he worked for four years for Shell International Petroleum Company Limited. In 1961 he joined Scicon (then C-E-I-R (UK)) and left it from a senior management position to establish Logica in 1969. As executive Chairman his prime commitment is to Logica, to which he devotes the majority of his time. He is a member of the Science and Engineering Research Council, the National Electronics Council, and the Alvey Programme Steering Committee. He is visiting Professor of Information Technology at University College, London.
Len Taylor	Managing Director and Chief Executive , aged 48. He obtained a degree in Mathematics at Oxford University and a MSc in Physics and Quantum Mechanics at London University. From 1957 to 1961 he worked as a mathematician for Hawker Siddeley Nuclear Power Company Limited. He joined Scicon in 1961 and left it from a senior management position to establish Logica in 1969.
Patrick Coen	Chairman of VTS , aged 46. He obtained a degree in Chemistry at University College, Galway and a PhD in Physical Chemistry at Imperial College, London. He was a senior consultant in Scicon, before leaving to establish Logica in 1969. He is a member of the Computer and Communications Committee of the Department of Industry's Electronics and Avionics Requirements Board and of the Office Machinery Sector Working Party of the NEDC. He is visiting Professor of Information Technology at the University of Kent.
Peter Harbidge	President of Logica, Inc. , aged 50. After obtaining a degree in Modern Languages at Oxford University, he joined IBM United Kingdom Limited. In 1967 he left from a Sales Management position to help found T. C. Hudson Associates Limited where he became a Director. He joined Logica in 1972 when Logica acquired the operations of that company.
David Mann	Deputy Managing Director , aged 39. After obtaining a degree in Mathematics and Theoretical Physics at Cambridge University, he worked for Scicon. He joined Logica soon after its formation in 1969 and is currently Chairman of Logica UK Limited. He has been a member of the Information Engineering Committee of the Science and Engineering Research Council.
David Matthews	European Director , aged 46. After obtaining a degree in Mathematics at Exeter University, he worked on military systems for Ferranti Limited. He joined Logica in 1972 and is now responsible for Logica's activities in Continental Europe and the Middle East.
Gordon Olson	Managing Director of VTS , aged 43. After obtaining a degree in Electrical Engineering at the City University of London, he worked for GEC Electronics Limited, Data Dynamics Limited and Varian Associates Limited in various engineering posts. He joined Logica in 1973.
Neil Prebble	Commercial Director , aged 39. Having worked for Unilever Research Laboratory and then Standard Telephones & Cables Limited, he joined Logica in 1970. He is responsible for project control, quality assurance and contracts policy.
Colin Rowland	Managing Director of Logica UK Limited , aged 39. He obtained a degree in Chemistry and a DPhil in Physical Chemistry at Oxford University. From 1966 to 1971, he was involved in research in Physical and Theoretical Chemistry. He joined Logica in 1971.
Rob Varley	Financial Director and Company Secretary , aged 44. He is a Chartered Accountant and worked for Charrington United Breweries Limited, Reuters Limited and Celanese Corporation prior to joining Logica in 1975.
Frits Böttcher	Non-executive Director , aged 68. He is a member of the Supervisory Board of Logica B.V. and a number of substantial Dutch companies, including Hoogovens, VMF-Stork, Volker-Stevin, Pakhoed and Gist-Brocades. He has been a member of various policy advisory committees to the Dutch government and the OECD. He has been associated with Logica since 1975. He is Professor Emeritus of Leiden University.

Senior Management

The other executive directors of subsidiary companies are as follows:—

	<i>Name</i>	<i>Age</i>	<i>Position</i>	<i>+Years' service</i>
Logica UK Limited	R. Cooper, BSc	38	Projects Director	8
	C. Dain, BSc, PhD	35	Technical Group Director	11
	M. De Val, BSc, FCA	35	Financial Director	2
	A. Karney	41	Communications Group Director	10
	G. Kirk, BSc	41	Software Products Group Director	12
	D. Lankey, BSc	42	Management Support Director	10
	I. Macleod	39	Finance Group Director	5
	B. Martin, BSc	45	Consultancy Group Director	3
	C. Preddy, MSc	36	Industry Group Director	14
	C. Rees, MA	39	Database Products Group Director	10
	S. Sarmiento, SB	42	Personnel Director	12
	D. Stanley, MA, PhD	36	Aerospace Group Director	5
Logica VTS Limited	D. Dean, BSc	55	Manufacturing Director	3
	G. Muir, MA, PhD, ACMA	34	Financial Director	6
Logica, Inc.	M. Faulkes, BSc, PhD	39	Director	11
	R. Freyberg III, SB, SM	35	Director	7
	W. Shrimpton, BCom	44	Vice President	11
	R. Thurber, SB, SM	38	Vice President and Company Secretary	7
Logica B.V.	P. Stevenson, BSc	39	Directeur	9
Logica, SA	J. Wells, BSc	37	Administrateur Délégué	14
Logica Svenska AB	G. Larsson	42	Managing Director	6
Logica GmbH	R. Heise, MA	36	Geschäftsführer	5
Logica Pty. Limited	D. Doyle, BEc, AASA	42	Managing Director	10
	I. Jackson, BSc	36	Deputy Managing Director	8
	J. Shipsey	39	Director	3
	R. Whitfeld, BE	47	Director	8

*These include years of service in companies subsequently acquired by Logica.

Staff

Logica depends for its success on the talent and motivation of its professional staff who come from a wide range of disciplines. Logica's style is an important, if somewhat intangible, factor in the attraction and retention of such people. Logica provides an environment which gives scope for initiative and local variation within an overall framework that achieves consistency of policies and principles throughout the world.

Logica currently employs approximately 1,600 people. Of the total some 1,060 are employed as professional staff whose main function is to be engaged in chargeable work for clients, 340 are engaged in administrative posts, 110 in manufacturing and 90 in sales. The professional staff is highly qualified with approximately 90 per cent. having graduate or post-graduate qualifications.

Logica conducts a vigorous recruitment programme to provide the basis for continuing growth. In the UK the main sources of new staff are universities from where approximately 130 were recruited this year. Senior appointments are, with few exceptions, filled by internal promotion. There is a considerable number of transfers or secondments of staff between various operating groups or subsidiaries.

The Directors consider that, in a service industry which relies heavily on the skills of the employees, it is desirable to seek methods whereby staff are encouraged to become, and remain, shareholders in Logica. There are now some 220 staff shareholders (including the Directors) and immediately after the Offer for Sale these shareholders and their associates will own at least 38.4 per cent. of the issued share capital of the Company.

Both Directors and staff shareholders have agreed not to dispose of any further shares for approximately a year after the Offer for Sale. The Directors have also accepted restrictions on the disposal of their shares on a sliding scale for a further two years thereafter.

For the future, the Directors have commissioned outside consultants to recommend appropriate share participation schemes, both for UK and overseas employees. All such schemes will be linked to shares in the Company and the Directors intend to put detailed proposals for such schemes before shareholders for their approval in due course.

Logica attaches importance to the working environment for its staff. Office premises are well sited, usually in central city locations, and well equipped. Details of premises, all of which are leasehold, are shown in Appendix 2.

Proceeds of Issue, Net Tangible Assets and Working Capital

Of the 10,400,000 Ordinary Shares now being offered for sale, 6,155,193 Ordinary Shares are being made available by existing shareholders and 4,244,807 are new Ordinary Shares for which Close Brothers Limited has agreed to subscribe in cash ("the Subscription").

The net proceeds of the Subscription based on the minimum tender price, after deduction of the expenses of the Offer for Sale to be borne by the Company, are estimated at £5.15 million.

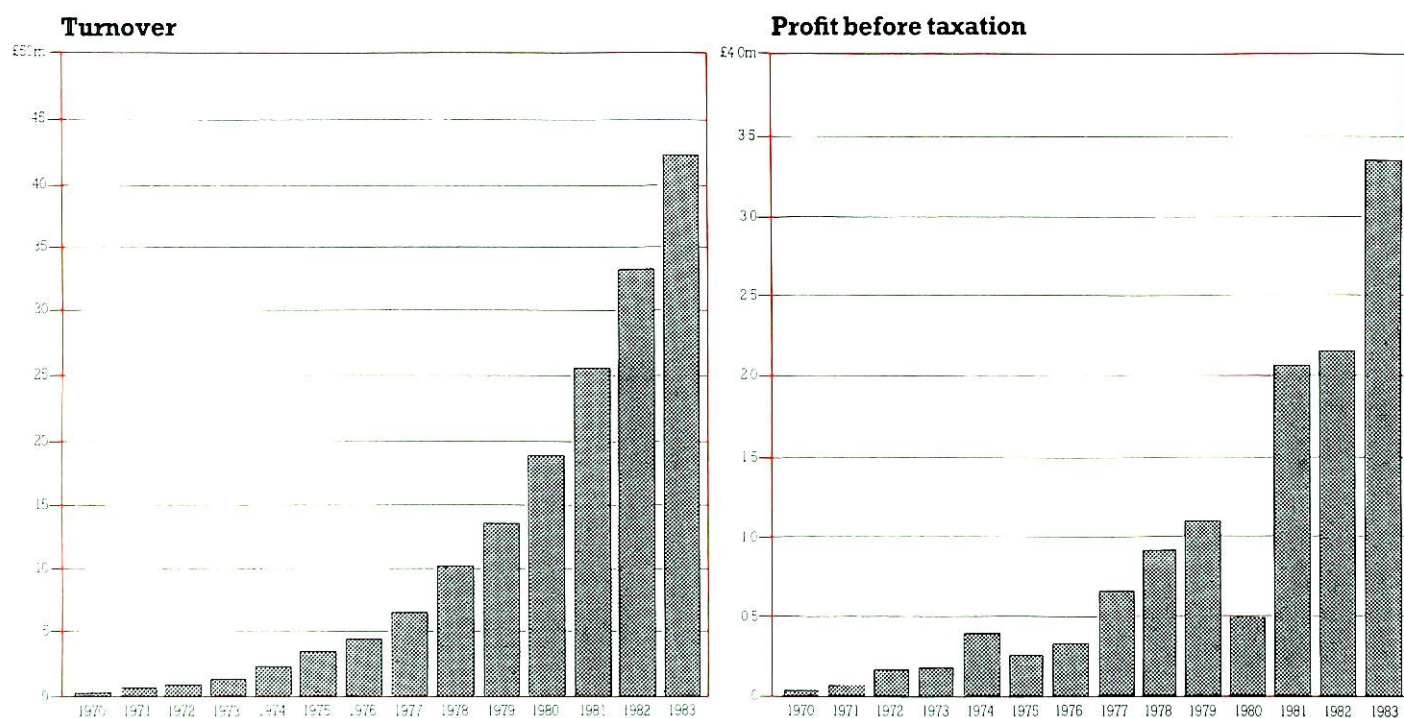
These net proceeds will be used to reduce existing borrowings and to provide additional working capital.

The consolidated net tangible assets (under the historical cost convention) of Logica at 30th June, 1983 amounted to £9,849,000. Taking into account the net proceeds of the Subscription as estimated above, the adjusted net tangible assets of £15.0 million represent 42.9p per Ordinary Share on the enlarged issued share capital.

The Directors are of the opinion that having regard to the bank facilities available to Logica, as well as the estimated net proceeds of the Subscription, Logica has sufficient working capital for its present requirements.

Trading Record

Logica's trading record from its formation to the year ended 30th June, 1983 is shown below. The data has been extracted from audited financial statements, adjusted where appropriate to reflect current accounting policies and the present constitution of the Company and its subsidiaries in accordance with the basis set out in the Accountants' Report in Appendix 1.



Over the five years ended 30th June, 1983 Logica has achieved compound annual growth in turnover of some 33 per cent. and a compound annual growth in profit on ordinary activities before taxation of some 30 per cent. The downturn in profits in 1980 reflected cost overruns on certain fixed price projects in Logica's Dutch operating subsidiary.

Logica has a marked seasonal pattern in its results, with profits in the second half of its financial year normally being substantially more than those in the first half. This is mainly caused by the holiday seasons which reduce the number of chargeable days of professional time and by the major influx of new graduates joining Logica during the same period.

Dividends

Other than a special dividend paid to PRC in 1979 in connection with the purchase of PRC's shares, Logica has never paid any dividends because the Directors have preferred that earnings be retained to finance the future growth of the business. The Directors intend that most of Logica's earnings should continue to be retained but will now recommend that a modest level of dividend payments be made. Following the Offer for Sale it is intended that in respect of each financial year an interim dividend and a final dividend should be paid in May and November respectively.

In the absence of unforeseen circumstances, the Directors expect that dividends in respect of the financial year ending 30th June, 1984 will amount to not less than 1.0p net per share. Following this Offer for Sale the first dividend which shareholders will receive would therefore be an interim dividend for the current year of not less than 0.35p net to be paid in May 1984, with a final dividend payable in November 1984.

Prospects

The Directors of Logica intend to develop the business within the broad range of its existing activities. The UK software industry is widely respected around the world. Logica, as one of its leaders, can benefit from this reputation as it increasingly spreads its international operations.

Logica's existing technological expertise and the fact that a significant number of client projects are of a research nature should mean that Logica will remain at the forefront of the latest technological developments in the course of its everyday work.

Opportunities for the acquisition of existing businesses in similar or complementary fields are continually being reviewed and, if thought appropriate, the Directors would be prepared to expand Logica in this way.

The Directors consider that it is inappropriate to make a profits forecast for the year to 30th June, 1984 at this early stage. However, at the end of September 1983 the number of professional fee-earning staff showed an increase of over 25 per cent. compared with the same date last year. Based on management accounting information, revenue for the first quarter of the current financial year was over 35 per cent. greater than that for the corresponding period last year.

The main markets of Logica – software and office automation – are amongst the fastest growing sectors in information technology. The value of new orders received by Logica during the first quarter showed a very substantial increase over the comparable period last year. The Directors are confident that Logica's technological expertise, reputation, client-base and management policies will enable it to maintain significant growth in the foreseeable future.

Accountants' Report

The following is a copy of a Report to the Directors of Logica plc and to the Directors of Close Brothers Limited made by Robson Rhodes, Chartered Accountants, the auditors and joint reporting accountants, and Price Waterhouse, Chartered Accountants, joint reporting accountants:

Price Waterhouse,
Southwark Towers,
32 London Bridge Street,
London SE1 9SY.

Robson Rhodes,
186 City Road,
London EC1V 2NU.

The Directors,
Logica plc
and
The Directors,
Close Brothers Limited

20th October, 1983

Gentlemen,

We have examined the financial information set out below of Logica plc ("the Company") and its subsidiaries (together referred to as "the Group") for the five years from 1st July, 1978 to 30th June, 1983. The auditors of the Group throughout this period have been Robson Rhodes, Chartered Accountants.

During the five year period a number of Group reorganisations have taken place, which have involved the creation of successive new holding companies and changes in shareholders and the capital structure of the Group.

A further capital reorganisation was undertaken, effective 20th October, 1983, whereby all subsidiary companies of Logica plc have become wholly owned, other than Logica, Inc. in which there remains a 19.8 per cent. minority interest.

The financial information set out in this report has been prepared on the basis that the Group had been in existence with its present constitution (but excluding new shares issued in connection with this Offer for Sale) throughout the five year period. The results for Freyberg Systems Associates, Incorporated and Planning Research Corporation (Australia) Pty. Limited have been consolidated from their respective dates of acquisition by the Group. The financial information is based on the audited financial statements of Logica plc and its subsidiaries after making such adjustments as we consider appropriate.

In our opinion the financial information set out under the heading Historical Cost Accounts gives, under the historical cost convention and on the basis of the constitution of the Group as stated above, a true and fair view of the profits and source and application of funds of the Group for the five years ended 30th June, 1983 and of the state of affairs of the Company and the Group at 30th June, 1983.

In our opinion the financial information set out under the heading Current Cost Accounts has been properly prepared in accordance with the policies and methods described in the notes thereto to give the information required by Statement of Standard Accounting Practice No. 16.

No audited financial statements have been prepared for the Company or the Group for any period subsequent to 30th June, 1983.

Historical Cost Accounts

1. Accounting policies

The significant accounting policies adopted in arriving at the financial information in this report are as follows:

(i) Turnover

Turnover represents amounts invoiced to clients net of amounts billed in advance and excluding VAT.

(ii) Recognition of profits

(a) Profit on contracts for the supply of professional services at pre-determined rates is taken as and when the work is billed irrespective of the duration of the contract.

(b) Profit is taken on fixed price contracts whilst the contract is in progress, having regard to the proportion of the total contract which has been completed at the balance sheet date. Provision is made for any foreseeable future losses based on an estimate of the direct costs to be incurred.

(iii) Stock and work in progress

(a) Physical stock and work in progress is valued at the lower of cost and net realisable value.

(b) The valuation of work in progress on fixed price contracts is adjusted to take up profit to date or foreseeable losses in accordance with (ii)(b) above.

(c) Other work in progress is valued at cost or at estimated net realisable value if lower. Cost comprises:

Professional work in progress valued at the cost of salaries and associated payroll expenses of employees engaged on assignments and a proportion of attributable overheads.

Unbilled expenses incurred and equipment purchased for clients in connection with specific contracts.

(iv) Research and development

Research costs are written off in the year in which they are incurred unless they are to be reimbursed by third parties. Development costs are also written off in the year in which they are incurred unless they are to be reimbursed by third parties or they result in the production of an identifiable saleable product.

(v) Goodwill

Goodwill is stated at cost and represents the excess of the cost of acquisition of subsidiaries over related net tangible assets at the dates of acquisition.

(vi) Depreciation

Depreciation is provided at rates calculated to write down the cost of all tangible fixed assets over their estimated useful lives on a straight-line basis. The annual rates of depreciation used are as follows:

Office equipment	— 10 per cent.
Computer equipment	— 20 per cent. (for the year ended 30th June, 1983; 33⅓ per cent. for previous years)
Motor cars	— 25 per cent.
Plant	— 20 per cent.
Tooling	— 50 per cent.
Leaseholds	— equally over life of lease

(vii) Foreign currency translation

The assets, liabilities and trading results of foreign subsidiaries are translated into sterling at the rate of exchange ruling at the relevant balance sheet date.

Differences arising on restatement of the net investment in foreign subsidiaries and related net foreign currency borrowings are dealt with as adjustments to reserves.

All other differences on exchange are taken to the profit and loss account.

(viii) Deferred taxation

Provision is made for deferred taxation, at the rate of tax ruling at the relevant balance sheet date, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. The provision is maintained to the extent that timing differences are not expected with reasonable probability to continue into the foreseeable future.

(ix) Finance lease income

Income from finance leases is taken to profit and loss account based on a constant periodic rate of return on the net cash investment in each lease.

2. Consolidated profit and loss accounts

The profit and loss accounts of the Group for each of the five years ended 30th June, 1983 are set out below:

	Notes	Years ended 30th June				
		1979	1980	1981	1982	1983
		£'000	£'000	£'000	£'000	£'000
Turnover	(ii)	12,914	17,905	25,853	33,168	42,185
Increase/(Decrease) in stocks of finished goods and work in progress		1,145	645	(195)	162	2,238
Revenue		14,059	18,550	25,658	33,330	44,423
Raw materials, consumables and other external charges		4,557	5,992	6,262	8,580	12,212
Staff costs		5,934	8,396	11,219	15,695	19,969
Depreciation and other amounts written off tangible and intangible fixed assets	(iii)	285	579	730	800	884
Other operating charges		1,972	2,706	5,071	5,848	7,925
		12,748	17,673	23,282	30,923	40,990
Profit on ordinary activities before interest and taxation		1,311	877	2,376	2,407	3,433
Interest payable (net)	(iv)	220	379	308	248	87
Profit on ordinary activities before taxation	(iii)	1,091	498	2,068	2,159	3,346
Taxation on profit on ordinary activities	(v)	(412)	113	(732)	(1,117)	(1,011)
Profit on ordinary activities after taxation		679	611	1,336	1,042	2,335
Minority interest		—	—	—	(55)	(10)
Extraordinary item	(vi)	—	48	—	—	—
Profit attributable to Ordinary Shareholders	(i)	679	659	1,336	987	2,325
Earnings per Ordinary Share	(vii)	2.2p	2.0p	4.3p	3.2p	7.6p
Adjusted earnings per Ordinary Share						
(a) after actual tax charge	(viii)					7.3p
(b) after notional 52 per cent. tax charge	(viii)					5.3p

Notes:

(i) Dividends and retained earnings

In connection with a Group reorganisation effective January 1979, a dividend of £722,223 was paid by Logica Nederland B.V. on 29th December, 1978 to Planning Research Corporation. This dividend was declared out of retained earnings as at 30th June, 1978 and is excluded from the above consolidated profit and loss accounts. With this exception, no dividends have been paid to third parties during the five years ended 30th June, 1983.

Profits attributable to Ordinary Shareholders in the five years ended 30th June, 1983 total £5,986,000. This, together with relevant movements on foreign currency translation amounting to £219,000 for the five year period, would give cumulative retained earnings of £6,205,000.

As a result of the various Group reorganisations, £4,685,000 of these retained earnings, and all retained earnings prior to 1st July, 1978, represent "pre-acquisition" profits in the financial statements of the Group at 30th June, 1983 and have been capitalised by way of share capital issues and related share premiums. Accordingly retained earnings of the Group at 30th June, 1983 amounted to £1,520,000.

There were no other movements on retained earnings during the five year period.

(ii) Turnover

The Group turnover for each of the five years ended 30th June, 1983 was as follows:

	Years ended 30th June				
	1979	1980	1981	1982	1983
	£'000	£'000	£'000	£'000	£'000
UK	7,480	11,632	16,949	19,901	26,252
Rest of Europe	4,250	4,281	5,724	6,136	7,878
USA	221	452	1,484	4,163	5,181
Rest of World	963	1,540	1,696	2,968	2,874
	<u>12,914</u>	<u>17,905</u>	<u>25,853</u>	<u>33,168</u>	<u>42,185</u>

(iii) Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Years ended 30th June				
	1979	1980	1981	1982	1983
	£'000	£'000	£'000	£'000	£'000
Directors' emoluments	64	132	155	307	369
Auditors' remuneration	42	54	75	84	90
Hire of plant and machinery	—	24	70	111	116

Depreciation: the effect of the change in the estimated useful life of computer equipment noted in accounting policy (vi) in Section 1 above was to reduce the charge for the year ended 30th June, 1983 by £125,000.

(iv) Interest

	Years ended 30th June				
	1979	1980	1981	1982	1983
	£'000	£'000	£'000	£'000	£'000
This comprises:					
Interest payable on:					
Short term loan	10	15	15	13	—
Bank interest	113	267	315	261	249
Interest on short term bridging loan	105	114	—	—	—
Other	3	22	59	86	—
	<u>231</u>	<u>418</u>	<u>389</u>	<u>360</u>	<u>249</u>
Interest receivable on:					
Bank deposits	5	39	81	65	162
Other	6	—	—	47	—
	<u>11</u>	<u>39</u>	<u>81</u>	<u>112</u>	<u>162</u>
Interest payable (net)	<u>220</u>	<u>379</u>	<u>308</u>	<u>248</u>	<u>87</u>

(v) Taxation

The charge for taxation on the profit on ordinary activities for each of the five years ended 30th June, 1983 is as follows:

	Years ended 30th June				
	1979	1980	1981	1982	1983
	£'000	£'000	£'000	£'000	£'000
UK corporation tax at 52% on profits for the year	250	10	212	590	461
Overseas taxation	—	—	—	40	15
Foreign tax in respect of overseas subsidiaries	236	(179)	517	256	570
Relief for overseas taxation	—	(5)	—	(20)	(5)
	<u>486</u>	<u>(174)</u>	<u>729</u>	<u>866</u>	<u>1,041</u>
Overprovision in subsidiaries in respect of prior years	(11)	10	3	(18)	(32)
Deferred taxation	(63)	51	—	269	2
	<u>412</u>	<u>(113)</u>	<u>732</u>	<u>1,117</u>	<u>1,011</u>

(vi) Extraordinary item

The extraordinary item arising in the year ended 30th June, 1980 related to the sale of distribution rights to a text handling system by Logica VTS Limited. No tax arose on the disposal as the chargeable gain was relieved against tax losses arising in that subsidiary during that year.

(vii) Earnings per Ordinary Share

Earnings per Ordinary Share are based on the 30,755,193 Ordinary Shares of 10p each in issue immediately prior to the issue of 4,244,807 new Ordinary Shares for cash in connection with the Offer for Sale, and on the profit on ordinary activities after taxation and minority interests for each year ended 30th June.

(viii) Adjusted earnings per Ordinary Share

Adjusted earnings per Ordinary Share for the year ended 30th June, 1983 only have been calculated on the 35,000,000 Ordinary Shares of 10p each in issue immediately after the issue of 4,244,807 new Ordinary Shares in connection with the Offer for Sale, and on the profit on ordinary activities, together with notional interest at 10 per cent. on the net proceeds of the issue (£5.15 million) calculated at the minimum tender price, less minority interest and after:

- (a) the actual tax charge on profit on ordinary activities and tax at 52 per cent. on the notional interest;
- (b) a notional tax charge of 52 per cent. on profit on ordinary activities and on the notional interest.

3. Consolidated source and application of funds statements

The source and application of funds statements for the Group for each of the five years ended 30th June, 1983 are as follows:

	Years ended 30th June				
	1979	1980	1981	1982	1983
	£'000	£'000	£'000	£'000	£'000
Profit on ordinary activities before taxation	1,091	498	2,068	2,159	3,346
Extraordinary item	—	48	—	—	—
	1,091	546	2,068	2,159	3,346
Adjustments for items not involving the movement of funds					
Depreciation	285	579	730	800	793
Deferred development costs	—	—	—	(138)	91
Profit on sale of fixed assets	(6)	(25)	(12)	(9)	(15)
Exchange differences on translation of fixed assets and taxation liabilities	—	4	11	23	(59)
Exchange differences on translation of the net investment in foreign subsidiaries	(18)	(8)	(27)	94	178
Funds generated by operations	1,352	1,096	2,770	2,929	4,334
Taxation refunded	—	—	383	172	—
Taxation paid	(573)	(173)	(515)	(794)	(558)
Sale of fixed assets	96	107	204	57	120
Purchase of fixed assets	(852)	(1,624)	(1,205)	(1,232)	(2,113)
Funds generated by the business	23	(594)	1,637	1,132	1,783
Loans received	—	603	353	—	—
Loans repaid	—	—	(103)	—	(853)
Shares issued in part consideration for new subsidiary	—	—	—	240	—
Purchase of new subsidiaries	—	—	—	(384)	(324)
Cash injections/withdrawals associated with Group reorganisations (see below)	444	181	—	(100)	1,510
	467	190	1,887	888	2,116
(Increase)/Decrease in working capital					
Stock and work in progress	(660)	(649)	1	(139)	(2,939)
Debtors	(1,119)	(905)	(1,553)	(1,280)	(4,179)
Creditors	506	1,582	(163)	695	3,451
Increase/(Decrease) in net liquid funds	(806)	218	172	164	(1,551)
Cash injections/withdrawals associated with Group reorganisations are as follows:					
Cash payments to vendor shareholders	(4,167)	—	—	—	(3,445)
Cash subscribed by incoming shareholders for new shares	2,815	1,877	—	—	4,955
Loans received from National Enterprise Board	1,796	—	—	—	—
Loans repaid to National Enterprise Board	—	(1,696)	—	(100)	—
	444	181	—	(100)	1,510

4. Balance sheets

The balance sheets of the Company and of the Group at 30th June, 1983 are as follows:

	Notes	The Company		The Group	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	(ii)		—		3,246
Tangible assets	(iii)		—		4,292
Investments in subsidiaries at cost			6,364		—
			<u>6,364</u>		<u>7,538</u>
Current assets					
Stock and work in progress	(iv)	—		5,788	
Debtors	(v)	—		12,030	
Amounts owed by subsidiary companies		558		—	
Cash and bank balances		—		1,030	
		<u>558</u>		<u>18,848</u>	
Current liabilities					
Bank loans and overdrafts	(vi)	—		2,833	
Creditors	(vii)	2		7,785	
Taxation and other state creditors		1		2,274	
		<u>3</u>		<u>12,892</u>	
Net current assets			555		5,956
Total assets less current liabilities			<u>6,919</u>		<u>13,494</u>
Deferred taxation	(viii)		—		399
			<u>6,919</u>		<u>13,095</u>
Capital and reserves					
Called up share capital and capital reserves	(i)		6,419		11,295
Profit and loss account			500		1,520
			<u>6,919</u>		<u>12,815</u>
Minority shareholders' interest in Logica, Inc.			—		280
			<u>6,919</u>		<u>13,095</u>

Notes:

(i) Called up share capital and capital reserves

	Called up Share Capital	Capital Reserves including Share Premium	Total
	£'000	£'000	£'000
902,000 Ordinary Shares of 10p each in issue as at 30th June, 1983	90	—	90
Share premium as at 30th June, 1983	—	6,329	6,329
	<u>90</u>	<u>6,329</u>	<u>6,419</u>
Minority interest as at 30th June, 1983, subsequently acquired	—	4,876	4,876
	<u>90</u>	<u>11,205</u>	<u>11,295</u>
Issue of 18,040,000 Ordinary Shares of 10p each by way of capitalisation of reserves on 17th October, 1983	1,804	(1,804)	—
Issue of 11,813,193 Ordinary Shares of 10p each to acquire above mentioned minority interest on 20th October, 1983	1,181	(1,181)	—
	<u>3,075</u>	<u>8,220</u>	<u>11,295</u>
Issue for cash of 4,244,807 Ordinary Shares of 10p each in connection with the Offer for Sale at the minimum tender price, less expenses of issue	425	4,724	5,149
	<u>3,500</u>	<u>12,944</u>	<u>16,444</u>

(ii) Intangible fixed assets

At 30th June, 1983 these comprised:

	£'000
Development costs	47
Goodwill	3,199
	<u>3,246</u>

Development costs carried forward relate to work on product modifications to meet the requirements of a major customer and are being written off over the period covered by the contractual agreement with that customer.

(iii) Tangible fixed assets

At 30th June, 1983 these comprised:

	Cost	Accumulated Depreciation	Net Book Value
	£'000	£'000	£'000
Short leaseholds	2,135	739	1,396
Office equipment	1,599	537	1,062
Computer equipment	2,457	1,172	1,285
Motor cars	886	408	478
Plant and tooling	266	195	71
	<u>7,343</u>	<u>3,051</u>	<u>4,292</u>

(iv) Stock and work in progress

At 30th June, 1983 these comprised:

	£'000	£'000
Raw materials and consumables		1,178
Work in progress	15,767	
Less: Progress payments on account	<u>11,349</u>	
		4,418
Finished goods and goods for resale		<u>192</u>
		<u>5,788</u>

(v) Debtors

Included in debtors are amounts totalling £294,000 due after more than one year from investments in finance leases.

(vi) Bank loans and overdrafts

Certain subsidiaries had at 30th June, 1983 bank overdrafts totalling £1,986,000 secured by fixed or floating charges on their assets.

(vii) Creditors

Included in creditors are amounts totalling £188,000 due after more than one year.

(viii) Deferred taxation

Provision has been made for deferred taxation in accordance with accounting policy (viii) in Section 1 above. The full potential liability and the amount provided is as follows.

	Potential Liability	Provision
	£'000	£'000
Accelerated capital allowances	1,548	175
Other short term timing differences (net)	<u>14</u>	<u>224</u>
	<u>1,562</u>	<u>399</u>

(ix) Contingent liabilities

Subsidiaries have provided indemnities to their bankers in support of performance bonds and guarantees given in the ordinary course of business amounting to £991,000.

(x) Capital commitments

At 30th June, 1983 there were outstanding contracts placed for capital expenditure amounting to £243,000. In addition, capital expenditure authorised by the Directors for which contracts had not been placed amounted to £37,000.

Current Cost Accounts

5. Consolidated current cost profit and loss accounts	Years ended 30th June	
	1982	1983
	£'000	£'000
Turnover	33,168	42,185
Historical cost profit on ordinary activities before interest and taxation	2,407	3,433
Current cost operating adjustments		
Cost of sales	(3)	35
Monetary working capital	(213)	(56)
Depreciation	(257)	(351)
Disposal of fixed assets	(6)	(13)
Current cost operating profit	1,928	3,048
Interest receivable	112	162
Interest payable	(360)	(249)
Gearing adjustment	77	48
Current cost profit on ordinary activities before taxation	1,757	3,009
Taxation	(1,117)	(1,011)
Current cost profit on ordinary activities after taxation	640	1,998
Minority interest	(25)	3
Net current cost profit retained	615	2,001

6. Consolidated current cost summarised balance sheet	Notes	30th June, 1983	
		£'000	
Fixed assets			
Intangible assets		2,771	
Tangible assets	(ii)	5,615	
		8,386	
Net current assets			
Stock and work in progress		5,814	
Monetary working capital		1,177	
Other current liabilities		(1,009)	
		5,982	
Net operating assets		14,368	
Shareholders' interests			
Share capital and capital reserves		11,295	
Current cost reserves	(iii)	1,170	
Profit and loss account		1,196	
		13,661	
Minority interest in Logica, Inc		308	
Deferred taxation		399	
		14,368	

7. Notes to the current cost accounts

(i) Basis of calculation

The accounting policies set out in Section 1 of this report apply to the Current Cost Accounts except where amended by the items noted below.

(a) Fixed assets and depreciation

The current replacement cost of fixed assets is determined by applying relevant price indices to the original cost of the assets.

The depreciation adjustment is the difference between depreciation on the historical cost of the assets and depreciation on the current replacement cost of the assets.

The effect of the change in the estimated useful life of computer equipment noted in accounting policy (vi) to the Historical Cost Accounts was to reduce the current cost charge for the year ended 30th June, 1983 by £152,000.

(b) Stock, work in progress and cost of sales adjustment

Stock and work in progress are shown at their value to the business. The cost of sales adjustment identifies the difference between the value to the business of stock consumed and the cost of stock charged on the historical cost basis. It is calculated using internally generated indices applicable to stock and work in progress.

(c) Monetary working capital adjustment

The monetary working capital adjustment reflects the impact of price changes on the amounts required to maintain the monetary working capital of the business in current cost terms. It is calculated with reference to the debtors, creditors and cash associated with the day to day activities of the business using appropriate indices.

(d) Gearing adjustment

The gearing adjustment represents that portion of the current cost adjustments which can be regarded as being financed by third parties.

(ii) Tangible fixed assets

	Gross	Depreciation	Net
	£'000	£'000	£'000
Short leaseholds	2,856	807	2,049
Office equipment	2,717	1,311	1,406
Computer equipment	2,884	1,317	1,567
Motor cars	993	477	516
Plant and tooling	282	205	77
	<u>9,732</u>	<u>4,117</u>	<u>5,615</u>

(iii) Current cost reserves

	£'000
Revaluation surpluses as at 30th June, 1982	1,019
Revaluation surpluses arising in the year ended 30th June, 1983	
Fixed assets	214
Stock	(41)
Current cost operating adjustments	
Monetary working capital	56
Gearing	(48)
Minority interest in revaluation surpluses and current cost operating adjustments	(30)
	<u>1,170</u>

Yours faithfully,

PRICE WATERHOUSE
Chartered Accountants

ROBSON RHODES
Chartered Accountants

Premises

Set out below are details of Logica's premises, all of which are leasehold:

		Address	Lease expiry date	Rent review period (years)	Next rent review date	Current annual rental	Approximate floor area of buildings in square feet
UK	Aberdeen	Ashley House, 4 Bon Accord Crescent	1.9.1984	n/a	n/a	£5,195	500
	Cobham	Cobham Park, Downside Road	16.9.2000	5	24.6.1984	£75,000	22,000
	London	31/36 Foley Street, W.1	Lease expired (subject to negotiation)	n/a	n/a	£22,250	6,600
		- 3rd floor		n/a	n/a	£7,500	2,200
		- Part 4th floor		7	25.3.1984	£60,600	11,400
		6 Little Portland Street, W.1	25.3.1991				
		23 Newman Street, W.1					
		- 1st floor	12.4.2002	5	12.4.1987	£28,500	3,600
		- 2nd-6th floors	12.4.2002	5	12.4.1987	£136,500	15,000
		64 Newman Street, W.1	24.10.1995	5	24.10.1983	£82,000	14,700
		68 Newman Street, W.1	29.9.1996	5	29.9.1987	£265,000	26,300
		84 Newman Street, W.1	23.12.1989	n/a	n/a	£54,000	5,500
		86 Newman Street, W.1	25.12.2002	5	25.12.1983	£126,000	14,000
		65 Lancaster Road, Barnet-Unit B	24.6.2004	5	24.6.1984	£22,500	8,000
		-Unit C	25.12.2003	5	25.12.1983	£18,000	7,000
	Swindon	Drakes Way, Greenbridge Industrial Estate	24.6.2015	7	Rent under review	£124,000	65,000
USA	California	Magnolia Avenue, Larkspur	30.1.1986	n/a	n/a	US\$49,169	3,100
		Three Embarcadero Center, San Francisco	30.11.1984	n/a	n/a	US\$106,709	3,000
		1540 San Pablo Avenue, Oakland	30.6.1984	n/a	n/a	US\$14,213	1,000
	Florida	280 Canton Avenue, Winter Park, Orlando	Monthly lease	n/a	n/a	US\$16,509	1,100
	Illinois	955 North Plum Grove Road, Schaumburg	30.6.1984	n/a	n/a	US\$10,834	1,000
	Massachusetts	50 Milk Street, Boston	30.6.1986	n/a	n/a	US\$93,183	4,200
	New York	20 Exchange Place, New York					
		- 44th floor	30.9.1990	n/a	16.7.1986	US\$114,627	3,600
		- 45th floor	30.9.1991	5	1.10.1985	US\$98,000	5,000
		666 Third Avenue, New York					
Netherlands	Rotterdam	Vasteland 12, 3011 BL	30.6.1986	Annual	1.7.1984	Hfl344,891	16,000
Belgium	Brussels	Rue de Livourne 80	30.6.1988	Annual	1.1.1984	BF778,104	5,000
Sweden	Stockholm	Norra Stationsgatan, 79-81, S-113-33	30.9.1984	n/a	1.1.1984	SKR550,000	8,100
Germany	Darmstadt	Bleichstrasse 2, D-6100	31.3.1987	n/a	n/a	DM42,768	1,700
Australia	Brisbane	Level 4, Silverton Place, 1001 Wickham Terrace	1.8.1986	Annual	1.8.1984	A\$11,884	990
	Melbourne	12th floor, 30 Collins Street	15.8.1986	2	15.8.1985	A\$29,700	1,980
	Sydney	157 Walker Street					
		- 3rd floor	31.3.1985	n/a	1.3.1984	A\$35,598	1,900
		- 6th floor	1.4.1985	n/a	n/a	A\$21,200	2,600

- Notes:*
- All the above properties are used primarily as office premises, except for the properties in Swindon and Barnet which are used primarily for manufacturing.
 - Logica has also entered into an agreement (subject to the grant of planning permissions) to lease 22,300 square feet at 84/88 Great Portland Street, London W.1 at an initial annual rent of £215,000.

Statutory & General Information

1. Share Capital

- (i) The Company was incorporated in England on 27th April, 1982 under the name Legibus 198 Limited with registered no. 1631639 as a private company with limited liability under the Companies Acts 1948 to 1981 and with an authorised share capital of £100 divided into 100 Ordinary Shares of £1 each, of which two such shares were subscribed and paid up in cash. On 13th September, 1982 the name of the Company was changed to Logica Securities Limited. On 18th October, 1983 the Company was re-registered as a public company and the name changed to Logica plc.
- (ii) There have been the following changes in the authorised and issued share capital of the Company since its incorporation:
 - (a) at an Extraordinary General Meeting held on 17th June, 1982 resolutions were passed (1) to sub-divide the existing 100 Ordinary Shares of £1 each into 1,000 Ordinary Shares of 10p each and (2) to increase the authorised share capital of the Company to £100,000 by the creation of 999,000 new Ordinary Shares of 10p each;
 - (b) on 6th August, 1982 102,000 Ordinary Shares of 10p each were issued for cash at a price of £12.75 per share. The net proceeds of such issue were approximately £1.3 million and such proceeds were applied in respect of the purchase of 200,000 Ordinary Shares of 10p each and 20,000 Deferred Shares of £1 each in Logica Holdings Limited ("Holdings") from NEB;
 - (c) on 26th August, 1982 799,980 Ordinary Shares of 10p each were issued, credited as fully paid, in exchange for 800,000 Ordinary Shares of 10p each and 80,000 Deferred Shares of £1 each in Holdings held by the Directors and staff of Logica.
 - (d) by a resolution passed on 17th October, 1983 the authorised share capital of the Company was increased to £3,750,000 by the creation of 36,500,000 new Ordinary Shares of 10p each. On 17th October, 1983 18,040,000 new Ordinary Shares of 10p each were issued, credited as fully paid, by way of capitalisation of reserves to existing holders of Ordinary Shares in the proportion of 20 new Ordinary Shares for each Ordinary Share then held; and on 20th October, 1983 11,813,193 new Ordinary Shares of 10p each were issued, credited as fully paid, in exchange for the 623,650 Ordinary Shares of 10p each and 623,650 Deferred Shares of 10p each in Holdings not already owned by the Company;
 - (e) under the terms of the sale and subscription agreement described in paragraph 5 below, Close Brothers Limited conditionally agreed on 20th October, 1983 to subscribe for 4,244,807 new Ordinary Shares of 10p each in the Company at a price per share equal to the striking price under the Offer for Sale less 2 per cent. of the minimum tender price per share.
- (iii) The following issues of shares by subsidiaries of the Company have been made within the last two years:
 - (a) on 19th July, 1982 1,000,000 Ordinary Shares of 10p each in Holdings were issued, credited as fully paid, by way of capitalisation of reserves;
 - (b) on 19th July, 1982 155,000 Ordinary Shares of 10p each in Logica Group Limited ("Group") were issued, credited as fully paid, by way of capitalisation of reserves;
 - (c) on 19th July, 1982 8,750 Ordinary Shares of 25p each in VTS were issued, credited as fully paid, by way of capitalisation of reserves;
 - (d) on 6th August, 1982 336,600 Ordinary Shares of 10p each in Holdings were issued for cash at a price of £11.50 per share;
 - (e) on 25th August, 1982 287,050 Ordinary Shares of 10p each in Holdings were issued as consideration for the acquisition of 37,900 Ordinary Shares of 10p each and 37,900 Deferred Shares of £1 each in Group;
 - (f) on 26th May, 1983 1,975,000 Ordinary Shares of 25p each in VTS were issued, credited as fully paid, by way of capitalisation of reserves;
 - (g) as part of the consideration for the purchase of Freyberg Systems Associates, Incorporated on 1st September, 1981, Logica, Inc. issued to minority shareholders (1) during the year ended 30th June, 1982 7,300 shares of Common Stock of no par value and (2) on 27th September, 1983 500 shares of Common Stock of no par value. Since 1st September, 1981 Logica, Inc. has repurchased 19,300 shares of Common Stock from minority shareholders for cash at prices between US\$3.47 and US\$9.19 per share;
 - (h) on 17th October, 1983 1,623,650 new Ordinary Shares of 10p each in Holdings were issued, credited as fully paid, by way of capitalisation of reserves.
- (iv) Under the arrangements concerning the purchase of Freyberg Systems Associates, Incorporated on 1st September, 1981 by Logica, Inc., minority shareholders in Logica, Inc. have the right to call for the issue of up to 6,700 shares of Common Stock in Logica, Inc. to minority shareholders or employees of Logica, Inc. for no additional consideration. This right expires on 31st August, 1984. If all such shares were issued and if no further shares were re-purchased by Logica, Inc., Logica would own 78.8 per cent. of the outstanding capital of Logica, Inc.

- (v) Save as described in sub-paragraphs (ii), (iii) and (iv) above:
 - (a) no share or loan capital of the Company or any of its subsidiaries has since 20th October, 1981 been issued or is now proposed to be issued, fully or partly paid, either for cash or a consideration other than cash;
 - (b) no commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiaries since the said date in connection with the issue or sale of any share or loan capital of such companies;
 - (c) no share or loan capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.
- (vi) By a Special Resolution of the Company passed on 17th October, 1983: (a) the Directors were generally authorised for the purposes of Section 14 of the Companies Act 1980 to allot relevant securities (as defined in that Section) limited to the amount of the unissued share capital of the Company at the time of passing the resolution, such authority to expire on the date of the Company's next Annual General Meeting; and (b) the Directors were empowered, pursuant to Section 18 of the Companies Act 1980, to allot equity securities pursuant to the authority referred to above as if Section 17(1) of that Act did not apply. This power expires on the date of the Company's next Annual General Meeting and is limited to the allotment of up to 4,800,000 Ordinary Shares of 10p each at a price to be agreed between the Directors and Close Brothers Limited, allotments in connection with rights issues to Ordinary Shareholders or otherwise to the allotment of a maximum of 5 per cent. of the authorised share capital of the Company at the time of passing the resolution.
- (vii) By a Special Resolution of the Company passed on 17th October, 1983 new Articles of Association were adopted.
- (viii) No material issue of shares of the Company (other than pursuant to the sale and subscription agreement referred to in paragraph 5 below or consequent upon an offer to shareholders by way of rights or bonus issue) will be made within one year of the date of this Offer for Sale without the prior approval of the Company in General Meeting.
- (ix) Following this Offer for Sale, 2,500,000 Ordinary Shares of 10p each in the Company will remain unissued but no issue of such shares which would effectively alter the control of the Company or the nature of its business will be made without the prior approval of the Company in General Meeting.

2. Articles of Association

The Articles of Association of the Company contain, *inter alia*, provisions to the following effect:

(a) Votes of Members

Subject to disenfranchisement of a member in the event of non-payment of any calls or other moneys due and payable in respect of any shares or non-compliance with a statutory notice requiring disclosure as to beneficial ownership and subject to any special terms as to voting on which any shares may be held (no shares having been issued subject to special terms) every member present in person shall on a show of hands have one vote and every member present in person or by proxy shall on a poll have one vote for every 10p in nominal amount of the shares held by him.

(b) Variation of Rights

All or any of the rights or privileges attached to any class of shares may, subject to the provisions of the Companies Acts 1948 to 1981, be varied or abrogated (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise.

(c) Directors

- (i) Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than two. No maximum number of Directors is fixed by the Articles of Association.
- (ii) Save as provided in the Articles of Association, a Director shall not vote or be counted in the quorum present at a meeting in relation to any resolution on which he is debarred from voting in regard to any contract, arrangement, transaction, proposal or dealing in which he has any material interest. Subject to the provisions of the Companies Acts 1948 to 1981 the Company may by Ordinary Resolution suspend or relax such provisions to any extent or ratify any transaction not authorised by reason of a contravention thereof.
- (iii) The total aggregate fees available to be distributed to the Directors of the Company (excluding any Managing or Executive Director) are £50,000 together with any additional remuneration voted by the Company in General Meeting.
- (iv) Subject to the provisions of the Companies Acts 1948 to 1981 the Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company or to hold any other Executive Office as they may decide either for a fixed term or without limitation as to period and may remove or dismiss him or them from such office subject to the provisions of any agreement between the Company and the appointee. A Managing Director, Joint Managing Director or Executive Director shall not be subject to retirement by rotation nor be taken into account in determining the retirement by rotation of Directors. At each Annual General Meeting one-third of the Directors who are subject to retirement by rotation (or the number nearest to but not exceeding one-third) shall retire by rotation.

- (v) The remuneration of the Managing Director and the Executive Directors shall, subject as provided in any service contract, be such as the Directors may from time to time determine. In addition the Company may repay to any Director all such reasonable expenses as he may incur in attending meetings of the Directors, or any committee of the Directors, or General Meetings or otherwise in or about the performance of his duties as a Director. Any Director who has made any special journeys or performed any special services which in the opinion of the Directors are desirable may be paid in addition to any Directors' fees to which he may otherwise be entitled under the Articles of Association such reasonable additional remuneration and expenses as the Directors may determine.
- (vi) The Directors on behalf of the Company may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any present or former Directors or employees of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of such persons or any of them.
- (vii) A Director shall be capable of being appointed or re-elected a Director despite having attained the age of seventy and shall not be required to retire by reason of his having attained that age and Section 185 of the Companies Act 1948 (relating to the appointment and retirement as Directors of persons who are aged seventy or over) shall not apply.
- (viii) A Director shall not require a share qualification.

(d) **Borrowing Powers**

The Directors may exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and uncalled capital and subject to Section 14 of the Companies Act 1980 to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of controlling its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise they can secure) that the aggregate amount at any one time owing by the Company and all its subsidiaries in respect of moneys borrowed (exclusive of moneys borrowed by the Company or any of its subsidiaries from any other of such companies) shall not at any time without the previous sanction of the Company in General Meeting exceed the sum equivalent to twice the aggregate of the nominal capital of the Company for the time being issued and paid up and the amounts standing to the credit of the consolidated reserves (including share premium account, capital redemption reserve and profit and loss account) of the Company and its subsidiaries after adjustment as specified in the relevant Articles.

3. Subsidiary Companies

There are set out below details of the subsidiaries of the Company all of which are private companies and, except where otherwise stated, wholly-owned:

Name	Country and date of incorporation	Issued share capital	Nature of business (see note)	Employees as at 30th June, 1983
Logica Holdings Limited	England - 30.6.1978	£424,730	I	—
Logica Group Limited	England - 14.9.1978	£170,500	I	23
Logica UK Limited	England - 13.2.1969	£110,000	II	829
Logica VTS Limited	England - 13.9.1978	£500,000	III	237
Logica SP Limited	England - 11.2.1983	£2,000	IV	—
Logica Leasing Limited	England - 19.1.1981	£10,000	V	—
Logica Data Systems Limited	England - 6.6.1969	£100,000	VI	—
1900 Group Limited	England - 3.12.1970	£100	VI	—
1900 Holdings Limited	England - 17.9.1971	£100	VI	—
Video Typing Systems Limited	England - 12.12.1975	£100	VI	—
†Logica, Inc. (80.2% owned)	US - 17.3.1977	US\$1,482,528	II	164
†Freyberg Systems Associates, Incorporated (80.2% owned)	US - 1.6.1977	US\$17,690	II	—
Logica Nederland B.V.	Netherlands - 27.3.1969	Hfl 38,490	I	—
Logica B.V.	Netherlands - 20.7.1973	Hfl 10,000	II	102
Logica, Société Anonyme	Belgium - 5.5.1979	BF 3,244,000	II	16
Logica Svenska AB	Sweden - 1.11.1972	SKR 50,000	II	30
Logica Gesellschaft mit beschränkter Haftung	West Germany - 7.9.1973	DM 20,000	II	—
Logica Pty. Limited	Australia - 23.10.1974	A\$200,000	II	74
Planning Research Corporation (Australia) Pty. Limited	Australia - 28.3.1979	A\$2	II	—
Lawdan Holdings Pty. Limited	Australia - 2.5.1977	A\$2	VI	—
Lawdan Pty. Limited	Australia - 2.10.1973	A\$3,000	VI	—
Logica Pte. Limited	Singapore - 4.11.1980	S\$2	VI	—

Note: I : Intermediate holding company
 II : Computer consultancy, systems and products
 III : Design and manufacture of office automation products
 IV : Special projects and major contracts
 V : Leasing
 VI : Dormant

†The balance is owned by employees of Logica, Inc.

4. Directors' and Other Interests

- (i) The interests of the Directors in the enlarged issued share capital of the Company immediately preceding the Offer for Sale, as shown by the register maintained under the provisions of the Companies Act 1967, and their respective interests immediately following the Offer for Sale (excluding any shares which any of the Directors may purchase under this Offer for Sale) are as follows:

	Before the Offer for Sale Ordinary Shares of 10p each		After the Offer for Sale Ordinary Shares of 10p each	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
P. A. B. Hughes	3,445,890 (9.8%)	383,502 (1.1%)	2,808,287 (8.0%)	256,802 (0.7%)
L. A. Taylor	2,434,257 (7.0%)	448,035 (1.3%)	2,007,406 (5.7%)	298,428 (0.9%)
P. J. Coen	1,516,914 (4.3%)	368,298 (1.1%)	1,186,156 (3.4%)	341,714 (1.0%)
P. C. Harbidge	403,830 (1.5%)	114,912 (0.3%)	300,510 (0.9%)	114,484 (0.3%)
D. W. Mann	678,720 (1.9%)	96,642 (0.3%)	542,976 (1.6%)	77,314 (0.2%)
D. M. K. Matthews	214,410 (0.6%)	4,620 (—)	175,665 (0.5%)	2,835 (—)
G. N. Olson	206,430 (0.6%)	—	165,144 (0.5%)	—
N. J. Prebble	98,700 (0.3%)	—	78,960 (0.2%)	—
C. G. Rowland	140,700 (0.4%)	117,390 (0.3%)	112,560 (0.3%)	93,912 (0.3%)
R. G. Varley	119,070 (0.3%)	—	95,257 (0.3%)	—
C. J. F. Böttcher	81,270 (0.2%)	—	65,016 (0.2%)	—

- (ii) Apart from the shareholdings of Mr P. A. B. Hughes and Mr L. A. Taylor shown in sub-paragraph (i) above, the only holding which will represent five per cent. or more of the nominal value of the issued voting share capital of the Company following this Offer for Sale is a holding of 2,100,000 Ordinary Shares (six per cent.) held by Stichting Shell Pensioenfond.
- (iii) Save as disclosed in paragraph 1 (ii) (c) above and save for four Directors who have purchased motor cars from Logica in each case at market value, no Director of the Company has or has had any interest, direct or indirect, in any assets which, within two years before the date of this Offer for Sale, have been, or are proposed to be, acquired or disposed of by, or leased to, the Company or any of its subsidiaries.
- (iv) No contract or arrangement subsists in which a Director of the Company is materially interested and which is significant in relation to the business of the Company and its subsidiaries taken as a whole.
- (v) No Director of the Company has any existing or proposed contract of service with the Company or any of its subsidiaries (other than contracts expiring or determinable by the employing company without payment of compensation within 12 months).
- (vi) In the year ended 30th June, 1983 the aggregate emoluments of the Directors amounted to £369,229. It is estimated that for the year ending 30th June, 1984 the aggregate emoluments of the Directors will be approximately £425,000.

5. Sale and Subscription Agreement

Close Brothers Limited has agreed, subject to the Council of The Stock Exchange admitting the Ordinary Shares of 10p each of the Company to the Official List not later than 2nd November, 1983, to purchase from all the Directors of the Company (the "vendor Directors"), other staff shareholders (the "vendor staff shareholders") and institutional shareholders (the "vendor institutions") details of which are set out below, 2,124,974, 1,241,622 and 2,788,597 Ordinary Shares respectively and to subscribe 4,244,807 new Ordinary Shares, in each case at a price per share equal to the striking price less 2 per cent. of the minimum tender price per share, and to offer all such shares for sale to the public by tender at a minimum tender price of 140p per share.

The vendor institutions and the number of Ordinary Shares being sold by them under this agreement (including, where applicable in relation thereto, holdings of investment trusts, unit trusts or funds managed by them or which own them) are as follows:

Airways Pension Scheme	214,650
CIN Industrial Investments Limited	501,052
Groupe Drouot	522,806
F & C Management Limited	287,851
Provincial Insurance PLC	225,000
Safeguard Industrial Investments PLC	88,948
Skandia Insurance Company Limited	100,210
Stichting Shell Pensioenfond	514,046
The Scottish Investment Trust PLC	334,034

Under the above agreement:

- (i) the vendor staff shareholders have agreed not to dispose of any further shares in the Company until after publication of the audited accounts of the Company and its subsidiaries for the year ending 30th June, 1984 and the report of the Directors for such period (the "Publication Date") except (a) with the prior consent in writing of Close Brothers Limited and the Company or (b) in the event of an offer being made to all the holders of Ordinary Shares in the Company (other than the offeror and/or any person associated or acting in concert with the offeror) to acquire their shares (an "Acquisition Offer"); and

- (ii) each of the vendor Directors has agreed not to apply for shares in the Offer for Sale and not to dispose of any further shares in the Company until after the Publication Date and also to accept restrictions on the sale by him of the remainder of his shareholding in the Company immediately following the Offer for Sale on a cumulative sliding scale for the period from the Publication Date until after publication of the audited accounts of the Company and its subsidiaries for the year ending 30th June, 1986 and the report of the Directors for such period unless (a) the prior consent in writing of Close Brothers Limited is given or (b) an Acquisition Offer is made or (c) the Board of Directors of the Company, or any committee thereof, or the Company passes a resolution dismissing him or requesting his resignation from the Board of Directors of the Company.

The costs and expenses of and incidental to this Offer for Sale, including the cost of preparing, printing, circulating and advertising this Prospectus and other documents in connection therewith, the increase in and reorganisation of the share capital of the Company and associated capital duty, the adoption of new Articles of Association, all accounting expenses, the Company's legal expenses, the receiving bankers' and registrars' fees and expenses, the fees payable to The Stock Exchange, and a fee to Close Brothers Limited, are estimated to amount to £675,000 (exclusive of value added tax) and will be borne by the Company. Close Brothers Limited will pay commissions to underwriters of 1¼ per cent. on the minimum tender price, a fee to the brokers, stamp duty on the transfer of shares offered hereby which are in registered form and its own legal expenses.

In connection with the sale and subscription agreement the vendor institutions have indicated their intention not to dispose of any further shares in the Company until after the Publication Date; Close Brothers Limited will pay a fee to The Foreign and Colonial Investment Trust PLC for a stand-by underwriting facility.

6. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and its subsidiaries within two years immediately preceding the date of this Offer for Sale and are, or may be, material:

- (i) agreement dated 12th March, 1982 between (1) NEB (2) Holdings and (3) the Directors of Holdings named therein whereby it was agreed that NEB would serve transfer notices in respect of the shares held by it in Holdings, Group and VTS with a view to the sale of such shares for a total consideration of £3,445,000;
- (ii) offers dated 25th June, 1982 by Close Brothers Limited on behalf of the Company for all the issued shares in Holdings other than those held by NEB;
- (iii) agreement dated 29th July, 1982 between (1) Stichting Shell Pensioenfond and the other institutional shareholders in Group named therein and (2) Holdings whereby the said shareholders agreed to exchange their shares in Group in consideration of the issue to them of a total of 287,050 new Ordinary Shares of 10p each in Holdings;
- (iv) agreement dated 28th July, 1982 between (1) the Directors of the Company and Holdings (2) the Company and Holdings and (3) Close Brothers Limited whereby it was agreed that Close Brothers Limited would on behalf of the Company and Holdings offer for subscription by means of a private placing 102,000 new Ordinary Shares of 10p each in the Company at £12.75 per share and 336,600 new Ordinary Shares of 10p each in Holdings at £11.50 per share;
- (v) agreement dated 13th April, 1983 between (1) Planning Research Corporation International (2) PRC (3) PRC Public Management Services Inc. (4) Planning Research Corporation (Australia) Pty. Limited (5) Logica Pty. Limited and (6) the Company and Holdings whereby Logica Pty. Limited acquired all the issued share capital of Planning Research Corporation (Australia) Pty. Limited for US\$190,000;
- (vi) agreement dated 17th October, 1983 between (1) Stichting Shell Pensioenfond and the other institutional shareholders in Holdings named therein and (2) the Company whereby the said shareholders in Holdings agreed to exchange their shares in Holdings in consideration of the issue to them of a total of 11,813,913 new Ordinary Shares of 10p each in the Company;
- (vii) agreement dated 20th October, 1983 between (1) Philip Arthur Booley Hughes for himself and as attorney for the persons named therein as vendors (2) the Directors of the Company (3) the Company and (4) Close Brothers Limited, being the sale and subscription agreement referred to in paragraph 5 above.

7. Taxation

- (i) The Directors have been advised that, following completion of this Offer for Sale, the Company is unlikely to remain a close company within the meaning of the Income and Corporation Taxes Act 1970.
- (ii) Appropriate clearances under Section 464 of the Income and Corporation Taxes Act 1970 and Section 88 of the Capital Gains Tax Act 1979 have been obtained in respect of the capital reorganisation immediately preceding this Offer for Sale and the capital reorganisation in 1982.
- (iii) Under the sale and subscription agreement referred to in paragraph 5 above the Directors have given certain indemnities in respect of taxation liabilities of the Company and its subsidiaries.

8. General

- (i) There has been no material adverse change in the financial position of the Company and its subsidiaries since 30th June, 1983, the date to which the Company's latest audited financial statements were made up.
- (ii) Neither the Company nor any of its subsidiaries is engaged in any litigation of material importance nor, so far as the Directors are aware, is any litigation or claim of material importance pending or threatened against the Company or any of its subsidiaries.
- (iii) The minimum amount which in the opinion of the Directors of the Company must be raised by the issue of the shares now being offered for sale is £5.15 million which, in relation to the matters specified in paragraph 4(a) of Part I of the Fourth Schedule to the Companies Act 1948, is made up as follows:
(i) nil; (ii) nil; (iii) nil and (iv) £5.15 million.
The above amounts are to be provided exclusively out of the proceeds of issue of 4,244,807 new Ordinary Shares now being offered for sale by tender and, having regard to the sale and subscription agreement referred to in paragraph 5 above, the receipt of such amount is assured.
- (iv) Holdings was the promoter of the Company. The net proceeds from the issue of shares referred to in paragraph 1(ii)(b) above were, pending their application, deposited in a bank account of Holdings. The balance on such account (after payments made on behalf of the Company) and all interest credited thereto have been repaid by Holdings to the Company. Subject thereto, no amounts or benefits have been paid or given to Holdings within the two years immediately preceding the date of this Prospectus or are intended to be paid or given.
- (v) The historical and current cost information set out in Appendix 1 constitutes abridged accounts (as defined in Section 11(8) of the Companies Act 1981). The historical cost information deals with the five accounting periods and the current cost information deals with the two accounting periods to 30th June, 1983. Full accounts relating to the five accounting periods to that date, on which the relevant auditors made unqualified reports within the meaning of Section 43 of the Companies Act 1980, and which formed the basis of the financial information set out in Appendix 1, have been delivered to the Registrar of Companies.
- (vi) The amount payable on application on each share is the amount tendered per share by the relevant applicant, being not less than the minimum tender price. The net proceeds of the subscription of 4,244,807 new Ordinary Shares of the Company by Close Brothers Limited pursuant to the sale and subscription agreement are estimated at £5.15 million on the basis of the minimum tender price after deduction of the expenses of this Offer for Sale which are to be borne by the Company. For each 5p by which the striking price exceeds the minimum tender price, the Company will receive a further £212,240 in respect of such shares.
- (vii) The preliminary expenses of the Company amounted to approximately £250 (exclusive of VAT) and were paid by the Company.

9. Consents and Registration of Documents

- (i) Robson Rhodes and Price Waterhouse have given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their Accountants' Report and to the references thereto and to their names in the form and context in which they are included.
- (ii) The documents attached to the copies of this Prospectus delivered to the Registrar of Companies for registration were the above-mentioned consents, the statement of Robson Rhodes and Price Waterhouse setting out the adjustments made in arriving at the figures contained in their report (as set out herein) and giving the reasons therefor, copies of the application forms and copies of the material contracts referred to in paragraph 6 above.

10. Documents Available for Inspection

The following documents or copies thereof may be inspected at the offices of Clifford-Turner, Blackfriars House, New Bridge Street, London EC4V 6BY during usual business hours on any weekday, Saturdays and public holidays excepted, for a period of fourteen days following the date of this Prospectus:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the audited consolidated accounts of the Company for the year ended 30th June, 1983 and of Logica Holdings Limited for the year ended 30th June, 1982;
- (iii) the Accountants' Report set out in Appendix 1 and the statement of adjustments relating thereto;
- (iv) the material contracts referred to in paragraph 6 above;
- (v) the written consents referred to in paragraph 9(i) above.

Dated 20th October, 1983

Procedure for Application

Requirements for Application

1. No person receiving a copy of this Offer for Sale and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation to him, nor should he in any event use such Application Form, unless in the relevant territory such an invitation could lawfully be made to him or such Form could lawfully be used without compliance with any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory. Notwithstanding these restrictions, employees of Logica in various overseas countries (excluding the United States of America) will be permitted to apply for shares on the special pink application form referred to below, but in no event may the employees distribute or cause to be distributed copies of this Prospectus or such application form in such countries or elsewhere.
2. Applications, which must be made on the accompanying Application Form (photocopies will not be accepted), must be for a minimum of 100 shares and thereafter for the following multiples of shares:
 - Applications for not more than 1,000 shares: in multiples of 100 shares;
 - Applications for over 1,000 shares and not more than 10,000 shares: in multiples of 500 shares;
 - Applications for over 10,000 shares and not more than 25,000 shares: in multiples of 1,000 shares;
 - Applications for over 25,000 shares and not more than 100,000 shares: in multiples of 5,000 shares;
 - Applications for over 100,000 shares: in multiples of 10,000 shares.

An application for any other number of shares will be rejected.
3. Applications must be made at the minimum tender price or at any higher price per share which is a whole multiple of 5p.
4. Applications must be lodged with National Westminster Bank PLC, New Issues Department, 2 Princes Street, London EC2P 2BD not later than 10 a.m. on Thursday, 27th October, 1983.
5. Each application must be accompanied by a separate cheque or banker's draft drawn in sterling on a branch in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided for the members of those Clearing Houses (and must bear the appropriate sorting code number in the top right hand corner) made payable to "National Westminster Bank PLC" and crossed "Not Negotiable", representing payment in full at the price at which application is made. An application will not be considered unless these conditions are fulfilled. Close Brothers Limited reserves the right to instruct National Westminster Bank PLC to present all cheques for payment on receipt and to retain Letters of Acceptance and surplus application moneys pending clearance of successful applicants' cheques. Due completion and delivery of an Application Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation, attention is drawn to the declaration in the Application Form to that effect. The right is reserved to reject any application in whole or part, regardless of the price tendered, multiple and suspected multiple applications at any one price are liable to be rejected.

General

1. Subject as aforesaid and as mentioned below, applications will be accepted on the following basis:
 - (a) all shares for which applications are wholly or partly accepted will be sold at the same price ("the striking price"), which will be not less than the minimum tender price of 140p per share. The striking price will not necessarily be the highest price at which sufficient applications (including applications at higher prices) are received to cover the total number of shares offered under the Offer for Sale. In deciding the striking price and the basis of allocation, Close Brothers Limited will have regard to the need to establish a market in the shares, for which purpose a reasonable number of shareholders is required;
 - (b) applications for shares at prices less than the striking price will receive no allocation of shares;
 - (c) if applications are received for less than the total number of shares offered, the striking price will be the minimum tender price of 140p per share;
 - (d) the striking price and the basis of allocation will be announced as soon as possible after 27th October, 1983.
2. Preferential consideration will be given to applications received from qualifying employees of Logica (other than persons who have agreed to sell shares to Close Brothers Limited pursuant to the sale and subscription agreement referred to in paragraph 5 of Appendix 3) for up to a total of 1,040,000 shares if made on the special pink application forms made available to them. These will specify the amount of money to be expended (up to a maximum of £10,000) rather than the number of shares applied for. In addition, such applicants may specify the maximum price at which they are prepared to apply for shares. In the event of excess applications from such employees, the basis of allocation will be decided by Close Brothers Limited.

3. Acceptance of applications will be conditional on the Council of The Stock Exchange admitting the Ordinary Shares of the Company to the Official List not later than 2nd November, 1983. Money paid in respect of applications will be returned if such condition is not satisfied and, in the meantime, will be retained by National Westminster Bank PLC in a separate account.
4. If any application is not accepted, or is accepted for fewer shares than the number applied for, or is made at a price higher than the striking price, the application money or the balance thereof, as the case may be, will be returned by cheque through the post. It is expected that renounceable Letters of Acceptance will be posted to successful applicants by 2nd November, 1983. Letters of Acceptance sent to employees of Logica in overseas countries will not be renounceable.
5. Arrangements have been made for the registration by the Company of the shares now offered for sale, free of stamp duty, in the names of applicants or persons in whose favour Letters of Acceptance have been renounced, provided that, in cases of renunciation, Letters of Acceptance (duly completed in accordance with the instructions contained therein) are lodged for registration not later than 8th December, 1983. Share certificates will be issued on 6th January, 1984.
6. All documents and cheques sent by post will be sent at the risk of the person entitled thereto.
7. Copies of this Offer for Sale, each with an Application Form, are available in London from:

Close Brothers Limited,
36 Great St. Helen's,
London EC3A 6AP.

Logica plc,
68 Newman Street,
London W1A 4SE.

Hoare Govett Limited,
Heron House,
319/325 High Holborn,
London WC1V 7PB.
and
27 Throgmorton Street,
London EC2N 2AN.

National Westminster Bank PLC,
New Issues Department,
2 Princes Street,
London EC2P 2BD.
and
250 Regent Street,
London W1A 4RY.

Outside London copies are available from the following branches of National Westminster Bank PLC:

Birmingham
Colmore Centre
103 Colmore Row,
Birmingham B3 3NS.

Bristol
32 Corn Street,
Bristol BS99 7UG.

Cambridge
56 St. Andrew's Street,
Cambridge CB2 3DA.

Cardiff
117 St. Mary Street,
Cardiff CF1 1LG.

Edinburgh
80 George Street,
Edinburgh EH2 3DZ.

Glasgow
14 Blythswood Square,
Glasgow G2 4AQ.

Leeds
8 Park Row,
Leeds LS1 1QS.

Manchester
55 King Street,
Manchester M60 2DB.

Swindon
84 Commercial Road,
Swindon SN1 5NU.

THE APPLICATION LIST FOR THE ORDINARY SHARES NOW OFFERED FOR SALE WILL OPEN AT 10.00 a.m. ON THURSDAY, 27th OCTOBER, 1983 AND MAY BE CLOSED AT ANY TIME THEREAFTER.

This Form, duly completed, must be lodged with National Westminster Bank PLC, New Issues Department, PO Box 79, 2 Princes Street, London EC2P 2BD together with a cheque or banker's draft representing payment in full at the application price so as to arrive not later than 10.00 a.m. on Thursday, 27th October, 1983. Cheques and banker's drafts must be drawn in sterling on a branch in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided for the members of those Clearing Houses (and must bear the appropriate sorting code number in the top right hand corner) and must be made payable to "National Westminster Bank PLC" and be crossed "Not Negotiable". A separate cheque or banker's draft must accompany each application. No application will be considered unless these conditions are fulfilled. Photostat copies of application forms will not be accepted.

Applicants are advised to use first class post and to allow at least two days for delivery.

Application Form

Logica plc

(Incorporated in England under the Companies Acts 1948 to 1981 with Registered No. 1631639)

Offer for Sale by Tender

by Close Brothers Limited

of 10,400,000 Ordinary Shares of 10p each at a minimum tender price of 140p per share, the price tendered being payable in full on application

Number of shares for which application is made*	Price per share at which application is made**	Amount of cheque enclosed
	p	£

*Applications must be for a minimum of 100 shares; applications for not more than 1,000 shares must be in multiples of 100 shares; for over 1,000 shares and not more than 10,000 shares in multiples of 500 shares; for over 10,000 shares and not more than 25,000 shares in multiples of 1,000 shares; for over 25,000 shares and not more than 100,000 shares in multiples of 5,000 shares and for over 100,000 shares in multiples of 10,000 shares

**The price per share at which application is made must be indicated here and must be 140p or a higher price being a whole multiple of 5p

To **CLOSE BROTHERS LIMITED**

I/We enclose a sterling cheque or banker's draft payable to National Westminster Bank PLC for the above-mentioned sum, being the amount payable in full on application for the above-stated number of Ordinary Shares of 10p each in Logica plc (the "Company") at the price per share at which this application is made and I/we hereby offer to purchase that number of shares and agree to accept the same or any smaller number of shares in respect of which this application may be accepted at the striking price, all upon the terms of the Prospectus dated 20th October, 1983 and subject to the Memorandum and Articles of Association of the Company. I/We hereby request and authorise you to send me/us a fully paid renounceable Letter of Acceptance in respect of the shares for which this application is accepted and/or a cheque for any moneys returnable, in each case by post at my/our risk to the address first given below and to procure my/our name(s) to be placed on the Register of Members of the Company as holder(s) of the said shares, so far as they have not been effectively renounced.

In consideration of your agreeing to accept applications upon the terms and subject to the conditions of the said Prospectus for an aggregate number of 10,400,000 Ordinary Shares of 10p each in the Company, I/we hereby agree that this application shall be irrevocable until 5th November, 1983 and that this paragraph shall constitute a collateral contract between me/us and you which shall become binding upon despatch by mail or delivery of this application form to National Westminster Bank PLC duly completed

I/We understand that the due completion and delivery of this application form, accompanied by a cheque, constitutes a warranty that the cheque will be honoured on first presentation. I/We hereby acknowledge that renounceable Letters of Acceptance and cheques for any moneys returnable are liable to be held pending clearance of applicants' cheques.

Dated 1983 1 Signature

**PLEASE
USE BLOCK
CAPITALS**

**PLEASE PIN
YOUR CHEQUE
HERE**

(In the case of joint applications all further applicants must sign and complete below)

2 Signature

Forename(s) (in full)

Surname and designation
(Mr, Mrs, Miss or Title)

Address (in full)

3 Signature

Forename(s) (in full)

Surname and designation
(Mr, Mrs, Miss or Title)

Address (in full)

4 Signature

Forename(s) (in full)

Surname and designation
(Mr, Mrs, Miss or Title)

Address (in full)

A Corporation should sign under the hand of a duly authorised official who should state his representative capacity

If this form is signed under a Power of Attorney, such Power of Attorney or a duly certified copy thereof must accompany this form

No receipt will be issued for the payment on application, but an acknowledgement will be forwarded through the post in due course by means of a fully paid Letter of Acceptance for all or part of the shares applied for and/or a cheque for any moneys returnable, in each case at the risk of the applicant(s)

FOR OFFICE USE ONLY

1. Acceptance number

2. Number of shares accepted

3. Amount received

£

4. Amount payable

£

5. Amount returned

£

6. Cheque number

← Forename(s) (in full)

← Surname and designation
(Mr, Mrs, Miss or Title)

← Address (in full)



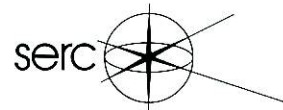
HongkongBank 



digital



BBC



ADP

THE BOC GROUP



British
TELECOM

ABN Bank



TSB

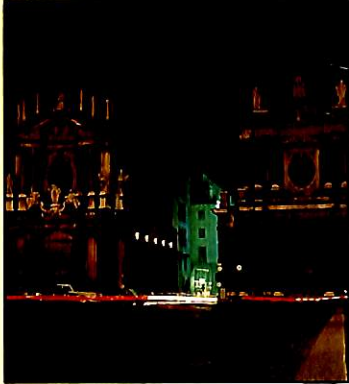
Thomas
Cook



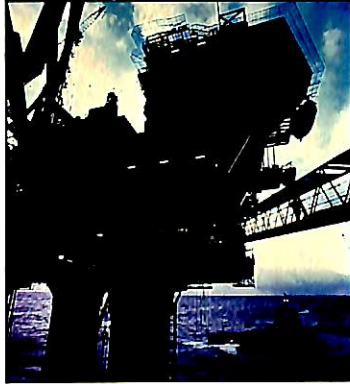
BRITISH AEROSPACE
DYNAMICS GROUP



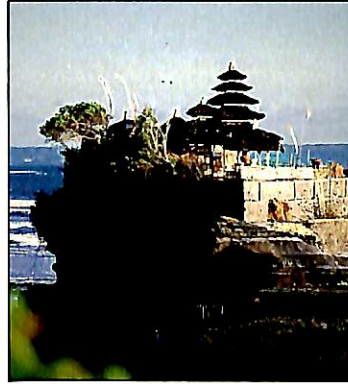
Italy Forex Dealing



UK Platform Operations



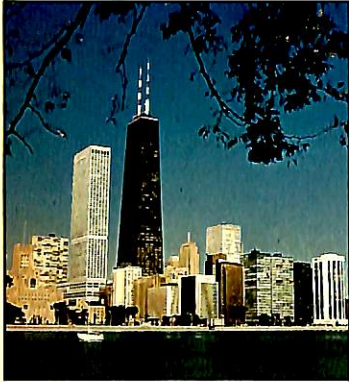
Indonesia Satellite Communications



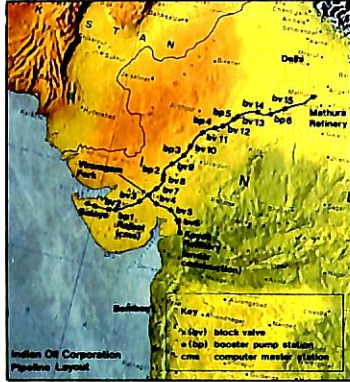
Netherlands Motorway Signalling



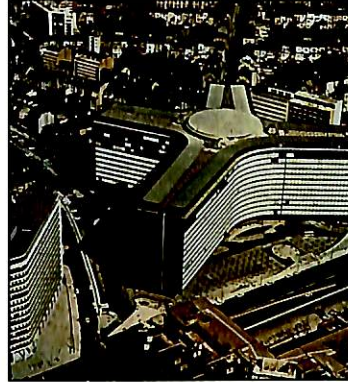
USA Teletext



India Pipeline Control



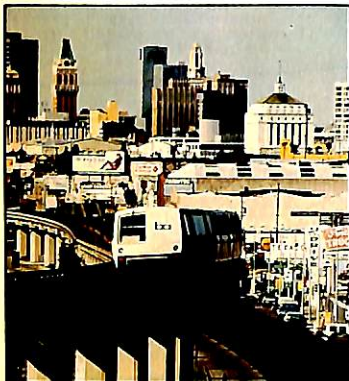
Belgium Software Engineering



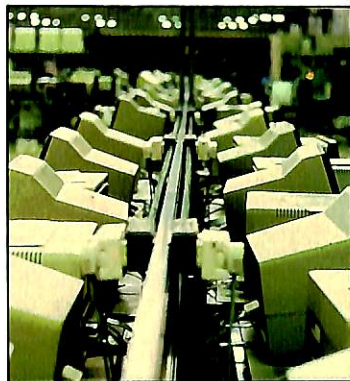
UK Dealer Displays



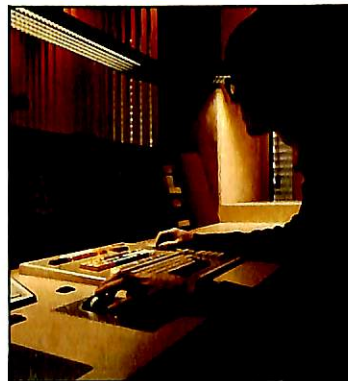
USA Transport Systems



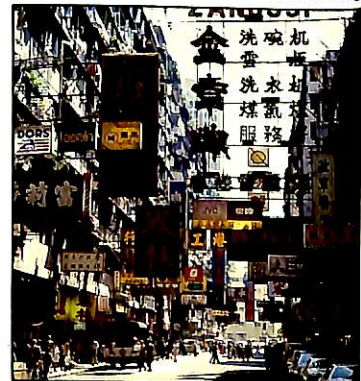
UK Word Processing



Netherlands Gas Distribution



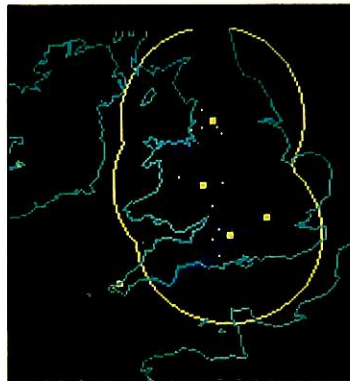
Hong Kong Road Pricing



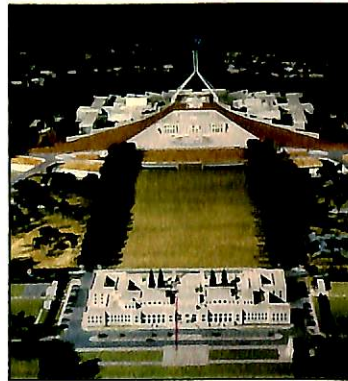
Sweden Cash Dispensers



UK Weather Forecasting



Australia Parliamentary Communications



Germany Space Operations

