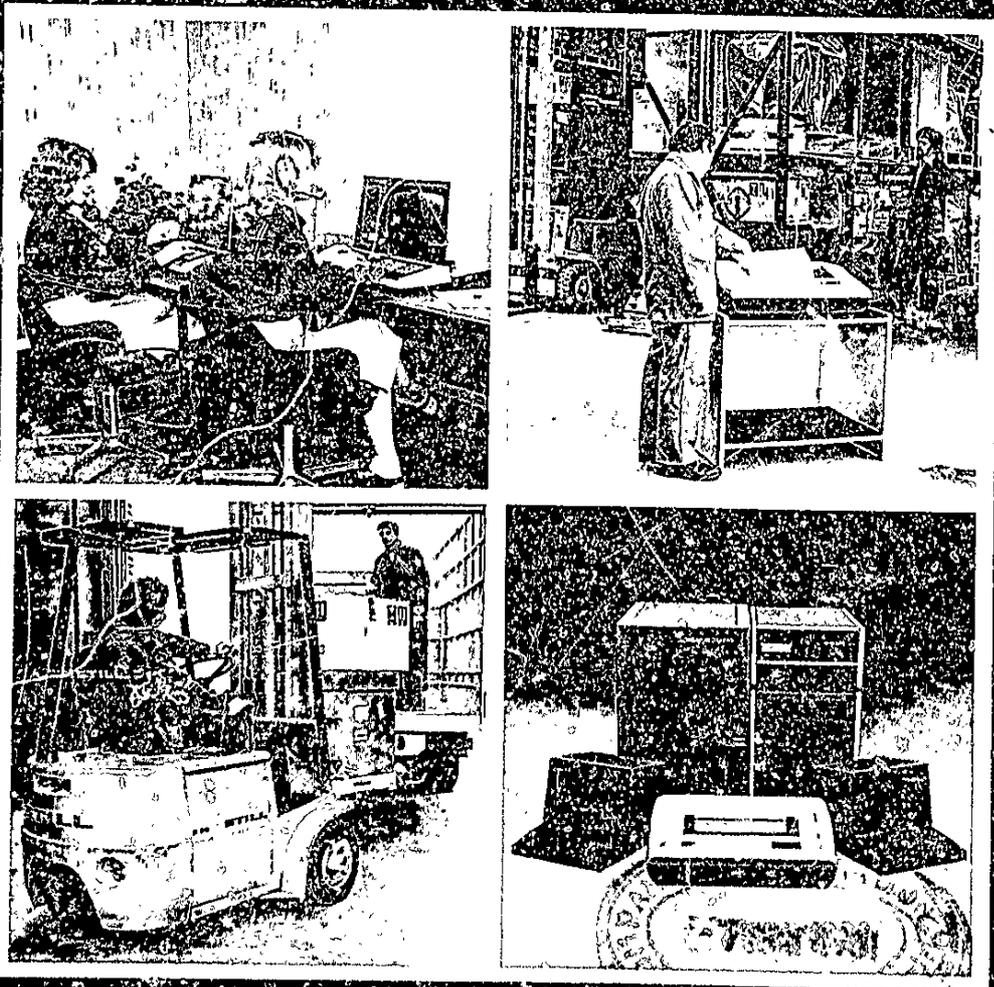


# Business Computers (Systems) PLC



Placing by Barclays Merchant Bank Limited

887467/71.

Duplicate copies of this prospectus, each having attached thereto the documents specified herein, have been delivered to the Registrar of Companies for registration.

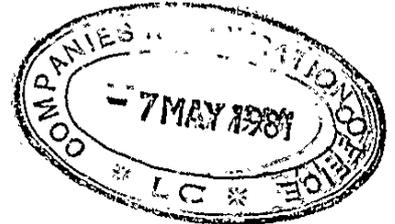
This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to Business Computers (Systems) PLC ("the Company"). The Directors have taken all reasonable care to ensure that the facts stated herein are 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.

Application has been made to the Council of The Stock Exchange for the grant of permission for the Ordinary Shares of the Company to be dealt in the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to official listing.

# BUSINESS COMPUTERS (SYSTEMS) PLC

(Registered in England under the Companies Acts 1948 to 1980. Number 887467)

Placing  
by



## Barclays Merchant Bank Limited

*Handwritten signatures and initials:*  
④  
②  
③

*Handwritten signatures and initials:*  
Oliver...  
J.C. May...  
⑤

of 1,466,662 Ordinary Shares of 10p each  
at 85p per share payable in full.

The shares which are the subject of this placing rank in full for all dividends hereafter declared or paid on the Ordinary Shares of the Company.

### SHARE CAPITAL

Authorised

£  
1,000,000

10,000,000 Ordinary Shares of 10p each

Issued and  
fully paid

£  
586,666.20

### BORROWINGS

At the close of business on 30th April, 1981 neither the Company nor any of its subsidiaries had any loan capital outstanding or created but unissued and no outstanding mortgages or charges, debentures or other loan capital or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities.

**Directors**

✓ GEORGE DEREK ROYLE, C Eng., MIEE  
*Non-executive Chairman*

✓ MICHAEL PATRICK MUNNELLY  
*Managing Director*

✓ ERIC THOMAS GILLILAND  
*Sales and Marketing Director*

✓ MARTIN GERALD ALCOCK, MBCS  
*Systems Director*

✓ ANTHONY GERALD CUNNINGHAM, FCA  
*Non-executive Director*

all of The Pagoda, 53 Theobald Street,  
Borehamwood, Hertfordshire WD6 4RT

**Secretary**

MARTIN GERALD ALCOCK, MBCS

**Registered Office**

The Pagoda, 53 Theobald Street,  
Borehamwood, Hertfordshire WD6 4RT

**Bankers**

NATIONAL WESTMINSTER BANK LIMITED  
80 Shenley Road, Borehamwood,  
Hertfordshire WD6 1DZ

**Merchant Bankers**

BARCLAYS MERCHANT BANK LIMITED  
15/16 Gracechurch Street,  
London EC3V 0BA

**Stockbrokers**

CAZENOVE & CO.  
12 Tokenhouse Yard, London EC2R 7AN  
and The Stock Exchange

**Solicitors**

CLIFFORD-TURNER  
Blackfriars House, 19 New Bridge Street,  
London EC4V 6BY

**Auditors and  
Reporting Accountants**

PRICE WATERHOUSE & CO.,  
Southwark Towers,  
32 London Bridge Street, London SE1 9SY

**Registrars and  
Transfer Office**

BARCLAYS BANK LIMITED,  
Registration Department,  
Radbroke Hall, Knutsford, Cheshire WA16 9EU

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## GLOSSARY OF TERMS

The following explains some of the technical terms used in this document.

Mainframe computer		Physically large and the only type of computer generally available until the advent of the mini-computer in 1974. Mainframe computers normally require carefully controlled temperature and humidity conditions and produce information predominantly in printed form.
Mini-computer	..	Although physically small compared with the mainframe computer, the mini-computer can be equally powerful in terms of speed and productivity. Information is immediately accessible to the user via visual display units and can also be printed. Mini-computers can be linked together to form networks to cover all aspects of an organisation's activities.
Micro-computer	..	A small computer incorporating the silicon "chip". The larger models are capable of handling three or four visual display units concurrently and forming a network to rival a mini-computer.
Personal computer	..	A type of micro-computer at the lower end of the market normally capable of carrying out only one function at a time.
Hardware	.. ..	The physical components of a computer such as central processing units, printers and visual display units.
Program	.. ..	A set of instructions composed for solving a given problem by computer.
Software	.. ..	The set of programs that the computer has to execute in order to produce the required output.
Packages	.. ..	Standardised software which has been designed to carry out specific business functions common to many organisations. The Company supplies packages to handle such functions as payroll, stock control, general accounting, sales ledger, purchase ledger, nominal ledger, budgetary control, order processing and time costing.
System enhancement		The supply of additional peripherals, new or changed software, to an existing customer.

## HISTORY

The Company was incorporated in September, 1966 as Computer Agencies Limited, a non-trading subsidiary of Computer World Trade Limited ("CWT"), primarily a third party computer maintenance company now owned by International Aeradio Limited ("IAL"), a subsidiary of British Airways. In 1974 the Company changed its name to Business Computers (Systems) Limited and purchased from the receiver of Business Computers Limited the assembly, service and sales functions of that company.

In 1976, the present management team, headed by Michael Munnely, Eric Gilliland and Martin Alcock, bought a controlling interest in the Company bringing with them some 20 managers and senior staff with whom they had previously been working for approximately 6-7 years. Most continue to be associated with the Company today.

## BUSINESS

The Company offers a range of mini- and micro-computer systems, selling from approximately £7,000 to £50,000. It specialises in the supply of complete systems which include the hardware and its installation, the software and the training of its customers' staff to the point where the system is fully operational. The Company also provides for maintenance of the system once installed. It then continues its close working relationship after the initial installation and enhances the customers' systems by supplying extra peripherals and new or changed software. In total the Company has supplied some 1,200 computers, of which 380 were installed in 1980.

### (i) Molecular

Initially the Company marketed the Molecular 18 mini-computer from which a high volume of sales has been generated by developing a new operating system and a sophisticated software package for distributors and wholesalers. The central processing unit was then redesigned and the MK IV version launched in October, 1977 which is capable of greater speed and can run more peripheral devices.

New customer education and training facilities and the inherent ease of use of the system ensured a large number of satisfied customers for whom the Company provides system enhancement.

In July, 1978 the Company entered into an agreement with Allied Business Systems Limited ("ABS"), a member of the Trafalgar House Group, providing for the assembly and supply by ABS of the Molecular 18 mini-computer, and also providing for the Company to market ABS's Multibus mini-computer under the Molecular 80 name.

### (ii) Xerox

The Directors recognised a need for a much smaller computer which could act as a complete system or as an intelligent satellite to mainframe computers. To fill this gap the Company was successful in 1978 in securing an agreement with Diablo Systems Incorporated, a subsidiary of the Xerox Corporation, to become the sole UK distributor for Diablo's micro-computer systems, starting with the Ranger 3200, and since 1979 extending to the smaller, but compatible, Diablo 3000. In April, 1981 the latest Xerox micro-computer, the Diablo 3100, was introduced as a high capacity 3000. The sole distributorship has recently been extended until January, 1985.

### (iii) Software

The Company's personnel have developed unique and comprehensive packages for use in conjunction with all its products and continue to develop these for commercial and professional routines, word processing and data communications and have carried out such software developments as help maintain the position of the Molecular and Xerox models at the forefront of the mini- and micro-computer markets.

### (iv) Marketing

Whilst the Company sells its products direct through five sales branches, it has also built up a comprehensive network of 46 dealers, some of whom previously worked with the present management. This ensures wide and cost-effective coverage for all products in the UK and Eire.

### (v) Maintenance

Customers normally enter into a maintenance agreement with Computer Field Maintenance Limited ("CFM"), a wholly owned subsidiary of CWT. Since 1st January, 1981 the Company has introduced its own field engineering operations and now operates these in conjunction with those of CFM to support customers.

### (vi) Sales

Sales for the year ended 31st December, 1980 were £4.8 million (1979—£3.9 million) of which £3.5 million (1979—£2.8 million) were in respect of the Xerox systems. The Company purchases a large proportion of its hardware overseas and it is its practice to cover these substantially by forward contracts for foreign exchange; accordingly, no significant gains, or losses, on exchange arise.

**MARKETS**

Industries and market sectors where the Company enjoys considerable success because of the development of software packages or the suitability of the computer hardware itself include almost all types of wholesalers and distributors—for example, in pharmaceuticals, DIY, motor parts and accessories and the building trade.

The Company has also developed a successful livestock market auctioneers system, word processing and allied systems for professional practices and a production control system for manufacturers.

**CURRENT TRADING**

At the end of the first quarter the Company was ahead of its 1981 targets for order bookings and sales revenue both of which are showing satisfactory improvement over the same period in 1980.

Sales are made to a wide cross-section of commerce and industry and the Company is particularly well positioned to take advantage of the changing patterns of business.

The installation of the Company's computers results in the production of streamlined, cost effective management control and information systems essential both to customers who are experiencing a downturn in trade and to those whose business is expanding. This has led to an increasing market for the Company's systems and, accordingly, the Company has not been unduly affected by the present state of the economy.

**RECENT DEVELOPMENTS AND FUTURE PROSPECTS**

Recent developments include a much greater emphasis on customer training which the Company shortly expects to be able to provide from three permanent locations, and the introduction of a supplies function dealing with the provision of computer consumables and other ancillary equipment.

Because the Directors believe that much of the Company's future will centre on software capability, a heavy investment in programming personnel has been undertaken. Development work continues on the Molecular 18 to ensure that full utilisation can be made of the distribution software packages.

The Xerox relationship will also continue to be very important to the future development of the Company. Further, to extend the hardware range, the Company has agreed in principle to become exclusive distributor in the UK and Eire of the new business computers made by Ampex, a USA based manufacturer. These are multiple-micro systems which will be complementary to the Xerox models for which the existing software packages and programs are compatible.

Although the Company is well established in direct sales of mini- and micro-computers, it also intends to expand its activities in the establishment of retail outlets of which the first is planned to be opened in Woking, Surrey. Negotiations for the acquisition of a leasehold property of 5,500 sq ft comprising two retail outlets, offices and demonstration area and training facilities are at an advanced stage.

Negotiations are also in progress with a USA based multi-national company to market their personal computer which will use the Company's own software and further widen the product range.

**MANAGEMENT AND STAFF**

The Directors and Senior Executives of the Company are as follows:

Name	Position	Age (years)	Computer Industry Experience (years)	Date of joining the Company
George Derek Royle .. ..	Non-executive Chairman	57	27	1974
Michael Patrick Munnelly ..	Managing Director	45	17	1976
Eric Thomas Gilliland .. ..	Sales and Marketing Director	44	21	1976
Martin Gerald Alcock .. ..	Systems Director	38	18	1976
Anthony Gerald Cunningham	Non-executive Director	37	6	1976

Derek Royle has been continuously involved in the computer industry since 1954 specialising in the service and maintenance sectors. In 1969 he was instrumental in founding CFM which is now a subsidiary of IAL. His considerable experience in the computer industry led to his being appointed a member of the NEDC Computer Sector Working Party. He is currently Chairman of the Hardware Services Committee of the Computer Services Association and is also a Director of CWT and CFM.

Michael Munnelly has been involved in the computer industry since 1964. Before joining the Company he was with the Business Machines Division of Singer Co. (UK) Limited ("Singer") where he progressed from salesman, through managing the Birmingham, Manchester and London branches where he was responsible for sales, systems and support, to Marketing Director. Following the acquisition by International Computers Limited of Singer in 1976 he joined the Company and since then has been Managing Director.

Eric Gilliland has been involved in the office equipment and computer industry since 1960 when he was employed by Singer, starting as a Systems Analyst and becoming UK Systems Manager. In 1973 he was assigned to head Singer's London branch operation involving responsibility for sales, systems support and field engineering and in 1975 was appointed Sales Director of the Business Machines Division. He joined the Company in 1976 since when he has been responsible for sales and marketing.

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Martin Alcock has been involved in the computer industry since 1963, originally as a programmer and systems analyst of mainframe computers. He was a senior systems adviser for Honeywell and later became Systems Director of Singer's Business Machines Division. He was in the forefront of the development of the first viable, real time, commercial accounting packages. He joined the Company in 1976 since when he has been responsible for all systems development.

Anthony Cunningham qualified as a Chartered Accountant in 1972. He became financial controller of CWT in 1975, being appointed to the Board a year later. He resigned from the Board in January, 1981, whereupon he was appointed Company Secretary. Earlier this year he was made General Manager (Finance and Business Development) of IAL's Products and Computer Services Division. He also acts in an advisory capacity to the Company on financial matters and is a director of CFM.

Details of the Directors' service contracts are set out in paragraph 5, page 13.

The day-to-day control of the Company's finances are in the hands of Michael Beacon, ACMA, the Chief Accountant who has been with the Company since 1977.

Peter Bell, the Engineering Manager, joined the Company in mid-1980, having been in the computer industry for 21 years, previously working with Messrs. Munnally, Gilliland and Alcock at Singer where he was Technical Director of the Singer Business Machines Division.

The Company presently has some 130 members of staff of whom 30 are involved in direct sales, 54 in systems and software and 12 in engineering. Staff relations are excellent. Employees are contracted into the State Pension Scheme and the Company also operates a non-contributory insured pension and life assurance scheme.

The Company is operating in a rapidly developing high technology industry, which calls for experienced and qualified management, and the Company offers the necessary incentives, including profit-related bonus schemes, to attract and retain personnel in a competitive employment market. The Directors are considering the introduction of an employee share option scheme.

## PREMISES

The Company's main offices are leasehold premises in Borehamwood, Hertfordshire.

Brief details of these premises and those from which the branches operate are as follows:

Location	Approximate Area and Description	Tenure
53 Theobald Street, Borehamwood, Hertfordshire.	4,750 sq. ft. comprising offices, a demonstration area and training facilities.	Leasehold to 24th March, 1997 at an annual exclusive rental of £17,500 subject to review in 1982, 1987 and 1992.
Ground Floor, Midland House, New Road, Halesowen, West Midlands.	2,000 sq. ft. comprising offices and a demonstration area.	Leasehold to 31st March, 2002 at an annual exclusive rental of £3,145 subject to review in 1982, 1987, 1992 and 1997.
First Floor, Midland House, New Road, Halesowen, West Midlands.	1,700 sq. ft. comprising offices.	Leasehold to 27th April, 2005 at an annual exclusive rental of £2,990 subject to review in 1985, 1990, 1995 and 2000.
Fourth Floor, Telegraph House, Baillie Street, Rochdale, Lancashire.	924 sq. ft. comprising offices and a demonstration area.	Leasehold to 14th January, 2004 at an annual exclusive rental of £3,258 subject to review in 1984, 1989, 1994 and 1999.
Unit 40, Tanners Drive, Milton Keynes, Buckinghamshire.	7,190 sq. ft. comprising light industrial premises.	Leasehold to 7th October, 2000 at an annual exclusive rental of £16,537 subject to review in 1985, 1990 and 1995.
Third and Fourth Floor, 70-72 Old Street, London EC1.	1,050 sq. ft. comprising offices.	Agreement with CWT at an annual exclusive rental of £4,800.
Second Floor, St. Michaels House, Norton Way South, Letchworth, Hertfordshire.	3,200 sq. ft. comprising offices, a demonstration area and training facilities.	Leasehold to 23rd June, 2004 at an annual exclusive rental of £8,000 subject to review in 1983, 1990 and 1997.
Portslade, Brighton, Sussex.	2,000 sq. ft. comprising light industrial premises.	Verbal occupancy arrangement at an annual exclusive rental of £12,000.

## TURNOVER AND PROFITS

Turnover and profits/(losses) before taxation and extraordinary item for the five years ended 31st December, 1980 are as follows:

	1976	1977	1978	1979	1980
	£'000	£'000	£'000	£'000	£'000
<i>Turnover</i>					
Computer Systems and peripherals	593	1,292	2,161	3,507	4,243
Software .. .. .	251	170	211	339	315
Maintenance .. .. .	35	31	37	40	92
Other .. .. .	3	27	109	40	148
	<u>882</u>	<u>1,520</u>	<u>2,518</u>	<u>3,926</u>	<u>4,798</u>
Profits/(losses)	<u>(332)</u>	<u>(210)</u>	<u>108</u>	<u>352</u>	<u>418</u>

For 1980 the structure of the Company was altered by drafting existing personnel into a sales support role from previously direct revenue earning positions. This considerably boosted sales of hardware whilst incurring no extra cost to the Company but resulted in a slight fall in software sales. The recruitment of 12 additional staff in 1981 is expected to restore the balance between activities.

## DIVIDENDS

No dividends have been paid or declared on the Ordinary Shares of the Company for the five years ended 31st December, 1980. The holders of all the 2,000,000 15 per cent. Cumulative Redeemable Preference Shares of 10p each in issue from 11th November, 1976 until their redemption on 1st July, 1978, waived their rights to dividends.

It is the present intention of the Directors to recommend the payment of a dividend of 1p per Ordinary Share in respect of the year ending 31st December, 1981 which it is expected would be payable in or about June, 1982.

## PRICE EARNINGS RATIO AND DIVIDEND YIELD

For the year ended 31st December, 1980 profits before taxation, and earnings attributable to shareholders, were £418,000. This is equivalent to earnings of 7.1p per share on the issued share capital as increased by the capitalisation issue.

At the placing price of 85p per share, the price earnings ratio at that date is 12.0, or on the basis of a notional charge to Corporation Tax of 52 per cent., would be 25.0.

Based on a dividend of 1p per share and a placing price of 85p per share, the gross dividend yield assuming a tax credit of 3/7ths would be 1.68 per cent.

At 31st December, 1980 net tangible assets amounted to £812,000, which is equivalent to 13.8p per share after taking account of the capitalisation issue referred to above.

## REASONS FOR THE PLACING

The placing is being carried out in order to obtain access to the Unlisted Securities Market and consequently a readily ascertainable value for the Company's shares. The placing will not result in the issue of any new shares in the Company other than by way of capitalisation of reserves. Although no proposals are currently under consideration, the Directors believe that opportunities may arise in the future to make suitable acquisitions in similar or related fields. Furthermore the Directors believe that entry to the Unlisted Securities Market will assist the Company to develop further and expand its activities.

## ACCOUNTANTS' REPORT

The following is a copy of a report to the Directors of the Company and Barclays Merchant Bank Limited made by Price Waterhouse & Co, Chartered Accountants:

The Directors  
Business Computers (Systems) PLC  
Barclays Merchant Bank Limited

7th May, 1981

Gentlemen,

We have examined the books and financial statements of Business Computers (Systems) PLC ("the Company") for the five years ended 31st December, 1980.

In our opinion the financial information given below, which is based on audited financial statements, gives a true and fair view of:

- (a) the results and source and application of funds of the Company for the five years ended 31st December, 1980 and
- (b) the state of affairs of the Company at 31st December, 1980.

No audited financial statements of the Company have been made up in respect of any period subsequent to 31st December, 1980.

### Accounting Policies

The following are the principal accounting policies adopted by the Company which have been used consistently in preparing the financial information set out in this report.

(a) *Basis of accounting*

The financial statements have been prepared under the historical cost convention except that a property was included at valuation until its disposal in 1978.

(b) *Turnover*

Turnover represents the invoiced value of sales.

(c) *Fixed assets and depreciation*

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a straight line basis at rates estimated to write off the cost of the relevant assets over their anticipated useful lives.

The principal annual rates of depreciation used are:

Plant and equipment	..	..	..	..	..	..	..	15% and 20%
Demonstration computers	..	..	..	..	..	..	..	25%

(d) *Stocks*

Stocks, consisting of finished goods, are stated at the lower of cost and net realisable value.

(e) *Development expenditure*

Development expenditure is written off as incurred.

(f) *Foreign currency translations*

Revenue and costs in foreign currencies are stated at the rate ruling at the transaction date. Assets and liabilities in foreign currencies have been expressed in sterling at the rates ruling at the balance sheet date.

(g) *Deferred taxation*

Provision is only made for corporation tax deferred by timing differences if there is a reasonable probability of such differences reversing and an actual corporation tax liability arising in the foreseeable future.

### Profit and loss accounts

The results for the period under review are as follows:—

	Years ended 31st December,				
	1976	1977	1978	1979	1980
	£'000	£'000	£'000	£'000	£'000
Turnover	882	1,520	2,518	3,926	4,798
Profit/(Loss) before taxation and extraordinary item	(332)	(210)	108	352	418
Taxation (Note (i))	—	—	—	—	—
Profit/(Loss) after taxation and before extraordinary item	(332)	(210)	108	352	418
Extraordinary item (Note (ii))	—	—	131	—	—
Profit/(Loss) after taxation and extraordinary item	(332)	(210)	239	352	418
Transfer from revaluation reserve (on disposal of property)	—	—	32	—	—
Movement on accumulated earnings	(332)	(210)	271	352	418
Earnings/(Losses) per ordinary share (Note (iii)):					
on issued share capital prior to capitalisation issue	(29.2)p	(10.5)p	3.4p	8.0p	9.5p
on issued share capital after capitalisation issue	(21.9)p	(7.9)p	2.6p	6.0p	7.1p
<b>PROFIT/(LOSS) IS STATED</b>					
After charging:					
Depreciation	34	40	32	35	61
Vehicle leasing costs	16	13	18	50	81
Loss/(profit) on disposal of fixed assets	3	—	(6)	—	—
After crediting:					
Interest receivable	—	—	2	9	23

Balance Sheet—31st December, 1980											£'000	£'000
FIXED ASSETS (note (v))												296
CURRENT ASSETS												
Stocks (note (vi))											920	
Debtors											1,146	
Bank balances											226	
											<u>2,292</u>	
LESS: CURRENT LIABILITIES												
Creditors											1,597	
Customers' deposits											119	
											<u>1,716</u>	
NET CURRENT ASSETS												576
												<u>812</u>
Represented by:												
SHARE CAPITAL (Note (vii))												440
SHARE PREMIUM												60
ACCUMULATED EARNINGS												312
												<u>812</u>

#### Source and application of funds

	Years ended 31st December				
	1976	1977	1978	1979	1980
	£'000	£'000	£'000	£'000	£'000
SOURCE/(OUTFLOW) OF FUNDS					
Profit/(Loss) before extraordinary item	(332)	(210)	108	352	418
Adjustment for items not involving the movement of funds:					
Depreciation	34	40	32	35	61
Loss/(profit) on sale of fixed assets	3	—	(6)	—	—
GENERATED/(ABSORBED) BY OPERATIONS	(295)	(170)	134	387	479
FUNDS FROM OTHER SOURCES					
Issue of Ordinary Shares for cash	—	—	300	—	—
Less redemption of preference shares for cash	—	—	200)	—	—
Proceeds on sale of fixed assets	27	28	61	3	9
	(268)	(142)	295	390	488
APPLICATION OF FUNDS					
Reduction in long term loans	—	(25)	(104)	—	—
Purchase of fixed assets	(8)	(74)	(25)	(81)	(203)
	(276)	(241)	166	309	285
WORKING CAPITAL MOVEMENTS					
Decrease/(Increase) in stocks	30	12	11	(276)	(466)
Decrease/(Increase) in debtors	130	(5)	(223)	(476)	(295)
Increase in customer deposits	27	5	22	49	17
Increase in creditors	117	193	191	434	456
Increase/(Decrease) in bank balances	28	(36)	167	40	(3)

#### Notes to the Financial Statements

##### (i) Taxation

No liability to corporation tax arises on the results for the five years to 31st December, 1980 as a result of the utilisation of capital allowances, stock appreciation relief and losses brought forward from prior years.

There is no potential liability to deferred taxation at 31st December, 1980 as unrelieved losses for taxation purposes exceed timing differences calculated at the current corporation tax rate of 52% as follows:--

	1980
	£'000
Unrelieved losses .. .. .	(143)
Capital allowances .. .. .	95
	<u>(48)</u>

(ii) **Extraordinary items**

A loan of £146,000 was settled in full by the acceptance in 1978 by the loan creditor of a payment of £15,000.

(iii) **Earnings/(losses) per Ordinary Share**

Earnings/(losses) per Ordinary Share on issued share capital prior to capitalisation issue are based on the profits and losses after taxation and before extraordinary items attributable to shareholders for each year and on the weighted average number of shares in issue during each year. These earnings/(losses) have been adjusted to take account of the capitalisation issue on 7th May, 1981 to arrive at the earnings/(losses) per Ordinary Share after capitalisation issue.

(iv) **Dividends**

No dividends were paid on any class of share capital throughout the period.

(v) **Fixed Assets**

	31st December, 1980		
	Cost	Depreciation	Net book amount
	£'000	£'000	£'000
Demonstration computers .. .. .	152	71	81
Plant and equipment .. .. .	211	56	155
	<u>363</u>	<u>127</u>	<u>236</u>

There were no commitments for capital expenditure at 31st December, 1980.

(vi) **Stocks**

Finished goods at 31st December, 1980 held subject to reservation of title by a supplier amounted to £660,000.

(vii) **Share capital**

The share capital at 31st December, 1980 was as follows:—

	£'000
(a) <i>Authorised share capital</i>	
5,000,000 Shares of 10p each .. .. .	<u>500</u>
(b) <i>Issued and fully paid share capital</i>	
4,400,000 Ordinary Shares of 10p each .. .. .	<u>440</u>
(c) on 7th May, 1981 the Company's authorised share capital was increased to £1 million and sums standing to the credit of share premium account and accumulated earnings amounting in total to £146,666 were capitalised and applied in paying up in full 1,466,662 Ordinary Shares which were then issued at par and allotted to existing shareholders on the basis of 1 new share for every 3 shares then held. The new shares rank <i>pari passu</i> with existing shares and the issued share capital was thus increased to 5,866,662 fully paid Ordinary Shares of 10p each.	

Yours faithfully,  
PRICE WATERHOUSE & CO.

*Price Waterhouse*

# STATUTORY AND GENERAL INFORMATION

## 1. The Company

The Company was incorporated in England as Computer Agencies Limited on 12th September, 1966 as a private company with limited liability under the Companies Act 1948 with an authorised Share Capital of £100 divided into 100 Ordinary shares of £1 each.

On 23rd August, 1974 the name of the Company was changed to Business Computers (Systems) Limited.

At an Extraordinary General Meeting held on 24th July, 1975 Special Resolutions were passed *inter alia*: (i) to increase the authorised Share Capital of the Company to £100,000, by the creation of an additional 99,900 Ordinary Shares of £1 each; and (ii) to sub-divide each of the existing Ordinary Shares of £1 each into 10 Ordinary Shares of 10p each. All the newly created shares were then issued to CWT as part satisfaction of a debt due to CWT.

At an Extraordinary General Meeting held on 11th November, 1976 Special Resolutions were passed *inter alia*: (i) to increase the authorised Share Capital of the Company to £500,000 by the creation of an additional 4,000,000 shares of 10p each; (ii) to redesignate 200,000 of the existing Ordinary Shares of 10p each in the Company as 200,000 "A" shares of 10p each, to redesignate 500,000 of the existing Ordinary Shares of 10p each in the Company as 500,000 "B" shares of 10p each, to redesignate 1,300,000 Ordinary Shares of 10p each in the Company as 1,300,000 "C" shares of 10p each; and (iii) to create 2,000,000 15% Cumulative Redeemable Preference Shares of 10p each.

On the same day the newly created 2,000,000 15% Cumulative Redeemable Preference Shares of 10p each were issued to CWT in part satisfaction of a debt due as were 1,000,000 shares which were issued on renounceable allotment letters.

On 1st July, 1978 2,000,000 shares were allotted fully paid for cash at par on renounceable letters of allotment, the 2,000,000 15% Cumulative Redeemable Preference Shares were redeemed at par and 400,000 "A" shares of 10p each were issued fully paid for cash at a premium of 15p per share.

At an Extraordinary General Meeting held on 21st April, 1981 a Special Resolution was passed to re-register the Company as a public limited company pursuant to the Companies Act 1980 and to alter the Company's Memorandum and Articles of Association accordingly. The Certificate of Incorporation on re-registration was issued on 28th April, 1981.

At General Meetings held on 7th May, 1981 Extraordinary, Special and Ordinary Resolutions were passed (i) to convert each existing "A" share of 10p each, "B" share of 10p each and "C" share of 10p each into an Ordinary Share of 10p each, all such Ordinary Shares to rank *pari passu* in all respects (ii) to increase the authorised share capital from £500,000 to £1,000,000 by the creation of 5,000,000 Ordinary Shares of 10p each (iii) to adopt new Articles of Association and (iv) to capitalise a total of £60,000 standing to the credit of the Company's Share Premium Account and £86,666.20 of accumulated earnings and to apply those sums in paying up in full at par a total of 1,466,662 Ordinary Shares of 10p each, which were then issued and allotted on renounceable letters of allotment to shareholders then on the register.

## 2. Subsidiaries

On 6th March, 1981 the Company acquired two subsidiaries both of which are wholly-owned private limited companies registered in England, namely (i) Thatchsound Limited (No. 1532168) which was incorporated on 3rd December, 1980 and has an issued and fully paid share capital of 100 Ordinary Shares of £1 each; and (ii) Briareed Limited (No. 1538553) which was incorporated on 13th January, 1981 and has an issued and fully paid share capital of 100 Ordinary Shares of £1 each; neither subsidiary has yet traded.

## 3. Placing Arrangements

By an agreement ("the Placing Agreement") entered into on 7th May, 1981 (the material contract in paragraph 14 below) Barclays Merchant Bank Limited have agreed, conditionally on the Council of The Stock Exchange granting permission for the Ordinary Shares of 10p each in the capital of the Company to be dealt in the Unlisted Securities Market on or before 14th May, 1981, to purchase 1,466,662 Ordinary Shares of 10p each at the price of 85p per share (making a total purchase consideration of £1,246,662) and to place the said 1,466,662 Ordinary Shares of 10p each at 85p per share. The Placing Agreement provides for the Company to pay the expenses of and incidental to obtaining permission to deal in the Ordinary Shares of 10p each in the capital of the Company in the Unlisted Securities Market (including the cost of printing, advertising and distributing this document, all accountancy expenses and its own legal expenses) and a fee to Barclays Merchant Bank Limited which will include their own legal expenses and a fee to the brokers. The Placing Agreement contains covenants by certain shareholders (mainly the Directors and key members of staff) whereby each covenantor agrees not to sell more than 5 per cent. of his total shareholding immediately after the placing in the first period of twelve months from the date of the Placing Agreement and not to sell more than 5 per cent. of his total shareholding immediately after the placing in the second period of twelve months from the date of the Placing Agreement.

For the purposes of Section 50 of the Companies Act 1948 the subscription list for the Ordinary Shares included in the placing will open at 10 a.m. on 13th May, 1981 and will close at any time thereafter.

## 4. Directors' and Other Interests

(a) Immediately following completion of the placing, the Directors interests in the Ordinary shares of the Company, all of which will be beneficial, will be as follows:

	Shares	Percentage of share capital
G. D. Royle	Nil	(Nil)
M. P. Munnelly	880,000	(15%)
E. T. Gilliland	720,000	(12.27%)
M. G. Alcorn	600,000	(10.23%)
A. G. Cunningham	100,000	(1.7%)

(b) Immediately after the completion of the placing IAL will hold 600,000 Ordinary Shares (10.23%) and its subsidiary CWT will hold 200,000 Ordinary Shares (3.4%). The Directors are not aware of any other shareholding, which, immediately after the placing will amount to 5 per cent. or more of the issued share capital of the Company.

(c) The aggregate emoluments of the Directors in respect of the financial year of the Company ended 31st December, 1980 were £28,548. The aggregate emoluments of the Directors in respect of the current financial year of the Company ending on 31st December, 1981 will, under the agreements in force at the date of this document, be approximately £175,000. In addition the Company paid management fees to CWT in respect of the services of G. D. Royle and A. G. Cunningham totalling £5,192 in respect of the year ended 31st December, 1980; under the arrangements currently in force these are estimated to total £5,300 for the current financial year.

(d) Save for Messrs. Royle's and Cunningham's interests as officers of CFM and CWT, none of the Directors has any direct or indirect interest in any asset which during the two years immediately preceding the date of this document has been acquired or disposed of by or leased to the Company or any of its subsidiaries or is proposed to be acquired, disposed of by or leased to the Company or any of its subsidiaries.

(e) Save for Messrs. Royle's and Cunningham's interests as officers of CFM and CWT, none of the Directors has any direct or indirect interest in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.

#### 5. Directors' Service Contracts

✓ The following is a summary of the directors' service contracts:

- ✓ (a) Dated 7th May, 1981 being the service agreement between the Company (1) and M. P. Munnelly (2) by which Mr. Munnelly was appointed Managing Director of the Company for five years commencing 1st January, 1981 at a commencing annual salary of £20,100 inclusive of director's fees plus a commission equal to 2 per cent. of net profits of the Group as defined in the agreement.
- ✓ (b) Dated 7th May, 1981 being the service agreement between the Company (1) and E. T. Gilliland (2) by which Mr. Gilliland was appointed Sales Director of the Company for five years commencing 1st January, 1981 at a commencing annual salary of £22,500 inclusive of director's fees plus a commission equal to 2 per cent. of net profits of the Group as defined in the agreement.
- ✓ (c) Dated 7th May, 1981 being the service agreement between the Company (1) and M. G. Alcock (2) by which Mr. Alcock was appointed Systems Director of the Company for five years commencing 1st January, 1981 at a commencing annual salary of £19,805 inclusive of director's fees plus a commission equal to 2 per cent. of net profits of the Group as defined in the agreement.

#### 6. Articles of Association

(a) Subject to disenfranchisement in the event of 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, 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 share capital of the Company held by him.

(b) All or any of the rights or privileges attached to any class of share may, subject to Section 72 of the Companies Act 1948, be varied or abrogated either with the consent in writing of the holders of at least 3/4ths 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) Subject to the Company in general meeting suspending or relaxing the provisions of the relevant Article or ratifying any transaction not duly authorised by reason of contravention of the relevant Article, a director shall not vote in respect of any contract or arrangement or transaction or any other proposal whatsoever in which he has a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company and he shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting but (in the absence of some other material interest than the following) he shall be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters, namely: (1) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries; or (2) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or (3) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof, or (4) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of a third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of the relevant Article to be a material interest in the circumstances); (5) any proposal concerning the adoption, modification or operating of a superannuation fund or retirement benefit scheme under which he may benefit and which relates both to employees and directors of the Company or any of its subsidiaries; or (6) any proposal concerning the adoption, modification or operating of any scheme for enabling employees, including full time executive directors of the Company and or any subsidiary to acquire shares of the Company or any arrangement for the benefit of the employees of the Company or any of its subsidiaries under which the director benefits in a similar manner as the employees.

(d) The directors may exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or who have at any time been directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or with 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 as are hereinbefore referred to or any of them or any class of them and so that any director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise) and may vote as a director in respect of the exercise of any of the powers conferred in the relevant Article upon the directors notwithstanding that the director is or may become interested therein.

(e) The aggregate amount at any one time owing by the Company and all its subsidiaries in respect of monies borrowed by it or them or any of them (exclusive of monies 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 shareholders in general meeting, exceed a sum equal 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 capital and revenue reserves (including share premium account, capital redemption reserve fund and profit and loss account) of the Company and its subsidiary companies all as shown in a consolidation of the then latest audited balance sheets of the Company and each of its subsidiary companies after adjustment as specified in the relevant Article.

(f) No person shall be or become incapable of being appointed or remaining a director by reason of his having attained the age of seventy or any other age.

(g) The directors are unconditionally authorised to allot any of the authorised but unissued share capital of the Company without the authority of the Company in general meeting. This authority will expire on 30th April, 1986 (when it is renewable) but may be revoked or varied by the Company in general meeting before that date. The provisions of section 17(1) of the Companies Act 1980 do not apply to any allotments made under the above authority.

#### 7. Working Capital

The Directors consider that the Company and its subsidiaries have sufficient working capital for their present requirements.

#### 8. Material Changes

Save as disclosed herein, there have been no material changes in the trading or financial position of the Company since 31st December, 1980.

#### 9. Taxation

(a) By the Placing Agreement the Vendors have given to Barclays Merchant Bank Limited and the Company certain joint and several warranties and indemnities including those in respect of Capital Transfer Tax.

(b) The Directors have been advised that, after completion of the Placing Agreement, the Company is unlikely to be a close company as defined in the Income and Corporation Taxes Act 1970.

(c) The Company has applied for clearance under Income and Corporation Taxes Act 1970 Section 464 in respect of the placing.

#### 10. Share Capital

(a) Save as disclosed herein, during the two years preceding the date of this document, no share or loan capital of the Company or of any of its subsidiaries has been issued or is proposed to be issued for cash or other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company or by any of its subsidiaries in connection with the issue or sale of any such capital.

(b) Save as disclosed herein, no share or loan capital of the Company or any of its subsidiaries is proposed to be issued or is under option or is agreed to be put under option.

(c) Following the placing 4,133,338 Ordinary Shares of 10p each in the Company will remain unissued (representing 41.33 per cent. of the Company's authorised share capital) and no issue of such shares which would effectively alter the control of the Company will be made without the prior sanction of the Company in General Meeting.

(d) No material issue of shares (other than to shareholders *pro rata* to existing holdings) will be made within one year without prior approval of the Company in general meeting.

#### 11. Minimum Subscription

The minimum amount to be raised for the purposes mentioned in paragraph 4(1) of Part 1 in the Fourth Schedule to the Companies Act 1948 is nil.

#### 12. Litigation

The Directors are not aware of any litigation or claims of material importance pending or threatened against the Company or any of its subsidiaries.

#### 13. Consent

Price Waterhouse & Co. have given and have not withdrawn their written consent to the issue of this document with their Report included in it and with the references to it in the form and context in which they appear.

#### 14. Material Contract

The Placing Agreement dated 7th May, 1981 between M. P. Munnelly and others (the shareholders of the Company) (1), G. D. Royle and others (the Directors of the Company) (2), the Company (3) Barclays Merchant Bank Limited (4) and M. P. Munnelly and others (the management of the Company together with the corporate shareholders) (5) by which (inter alia) Barclays Merchant Bank Limited agreed conditionally to purchase a total of 1,466,662 Ordinary Shares of 10p each in the capital of the Company at 85p per share and to place them at the price of 85p per share. The first and second parties to the Placing Agreement have given certain general, trading and taxation warranties. This contract is the only contract which has been entered into, other than in the ordinary course of business, during the two years immediately preceding the date of this document which is, or may be, material.

#### 15. Expenses

The expenses (exclusive of VAT) relating to the issue and placing (including capital duty) and the fee payable to Barclays Merchant Bank Limited under the Placing Agreement are payable by the Company, and are estimated to amount to £73,000.

#### 16. Registration

Duplicate copies of this document have been delivered to the Registrar of Companies for registration, each copy having attached to it copies of the consent mentioned above, and of the material contract mentioned above.

#### 17. Documents for Inspection

Copies of the following documents may be inspected at the offices of Clifford-Turner at Blackfriars House, 19 New Bridge Street, London EC4V 6BY during usual business hours on weekdays (except Saturdays and public holidays) up to and including 26th May, 1981:

- (a) The Memorandum and Articles of Association of the Company;
- (b) The audited accounts of the Company for the financial years ended 31st December, 1978, 31st December, 1979 and 31st December, 1980;
- (c) The Accountants' Report and the written consent of the Auditors and Reporting Accountants;
- (d) The Directors' service contracts; and
- (e) The material contract listed above.

Dated 7th May, 1981. ✓



On behalf of Barclays Merchant Bank Limited we have pleasure in inviting you, upon the terms of this letter and of the prospectus, to apply for :-

Ordinary Shares of 10p each

at 85p per share, free of commission and stamp duty, payable in full on application.

If you wish to apply for the shares mentioned above kindly complete the enclosed Form of Application and return it to us by 3.00 p.m. on Tuesday, 12th May, 1981 and make arrangements to remit cleared funds to us by no later than 10.00 a.m. on Wednesday, 13th May, 1981 for the full amount payable on application. Payment may be made by returning with this Form of Application a cheque drawn on a City Office of a London Clearing Bank for the full amount due. The cheque which should be made payable to "Cazenove & Co." and crossed will be presented for payment on Wednesday, 13th May, 1981. Alternatively the amount due may be remitted direct to Williams & Glyn's Bank Limited, 67 Lombard Street, London EC3 for the account of "Cazenove & Co."

Acceptance of applications will be conditional on the Council of The Stock Exchange granting permission, by not later than Wednesday, 13th May, 1981, for the Ordinary Shares of the Company to be dealt in the Unlisted Securities Market. Monies paid in respect of applications will be returned if this condition is not satisfied by that date.

A Renounceable Letter of Acceptance will be despatched to you on Wednesday, 13th May 1981.

For the purposes of Section 50 of the Companies Act 1948 the subscription list for the Ordinary Shares included in the placing will open at 10.00 a.m. on Wednesday, 13th May, 1981.

Yours faithfully,

*Michael Armstrong*  
*Oliver Stone* - *1/2 first scribble.*  
*[Signature]*  
*Delivered in*

BUSINESS COMPUTERS (SYSTEMS) PLC

Placing of  
1,466,662 Ordinary Shares of 1p each  
at 85p per share payable in full on application

NOTE: This Form, when completed, should be returned to CAZENOVE & CO.,  
12 Tokenhouse Yard, London, EC2R 7AN, so as to reach them not later  
than 3.00 p.m. on Tuesday, 12th May, 1981.

FORM OF APPLICATION

TO: Cazenove & Co.,  
12 Tokenhouse Yard,  
London, EC2R 7AN.

Dear Sirs,

With reference to the letter from Cazenove & Co., dated 7th May, 1981,  
I/we have pleasure in applying for \_\_\_\_\_ Ordinary Shares in the  
above-named Company on the basis set out in that letter and of the prospectus  
dated 7th May, 1981 accompanying the same.

I/We confirm that we will remit cleared funds to Cazenove & Co., for  
the amount due by 10.00 a.m. Wednesday, 8th May, 1981 and :-

- (i) \*I/We enclose my/our cheque drawn on a City Office of  
a London Clearing Bank in favour of Cazenove & Co.,  
for £ \_\_\_\_\_, being the amount payable on  
application at 85p per Ordinary Share; or
- (ii) \*I/We confirm that the amount due will be remitted to  
your bank by telegraphic transfer.

(\* Please delete whichever is not applicable)

I/We hereby request you to procure the issue to me/us in accordance  
with the instructions below a Renounceable Letter of Acceptance in respect of  
the Ordinary Shares which I/we have agreed to purchase.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 1981

Signature(s) \_\_\_\_\_

Full name(s) and address(es) of applicant(s)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DELIVERY INSTRUCTIONS

\_\_\_\_\_

THIS DOCUMENT IS OF VALUE AND IS NEGOTIABLE. IF YOU ARE IN ANY DOUBT ABOUT IT YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

ALL COMMUNICATIONS REGARDING THIS LETTER OF ACCEPTANCE SHOULD BE ADDRESSED TO BARCLAYS BANK LIMITED, NEW ISSUES DEPARTMENT, P.O. BOX 123, 2 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2P 2BU, QUOTING THE FOLLOWING NUMBER:

No. ....

Permission has been granted by the Council of The Stock Exchange for the Ordinary Shares of Business Computers (Systems) PLC to be dealt in the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to official listing.

887467

*John O. A. ...*  
*W. ...*  
*for ...*

Names of joint placees (if any)

At Barclays Bank Limited, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU.

Latest time and date for:  
SPLITTING  
3 p.m., 22nd June, 1981  
REGISTRATION OF RENUNCIATION  
3 p.m., 24th June, 1981

SHARE CERTIFICATES:  
Despatched on 17th July, 1981

*Oliver Stocken*



# BUSINESS COMPUTERS (SYSTEMS) PLC

(Registered in England under the Companies Acts 1948 to 1980. Number 887467)

## PLACING OF

## 1,466,662 Ordinary Shares of 10p each at 85p per share FULLY PAID RENOUNCEABLE LETTER OF ACCEPTANCE

Barclays Merchant Bank Limited,  
15/16 Gracechurch Street,  
London EC3V 0BA.  
13th May, 1981

Dear Sir (or Madam),

1. **PLACING OF SHARES.** This fully paid renounceable letter of acceptance ("Letter of Acceptance") comprising  fully paid Ordinary Shares of 10p each in the capital of Business Computers (Systems) PLC ("the Company") is issued to you in pursuance of your acceptance of the offer of such shares made on our behalf by means of the Placing Letter dated 7th May, 1981, upon the terms and subject to the conditions of the said Placing Letter and subject to the Memorandum and Articles of Association of the Company. The shares which are the subject of the placing rank *pari passu* with all the existing issued Ordinary Shares of the Company.

2. **RANKING FOR DIVIDEND.** The shares which are the subject of this placing rank in full for all dividends hereafter declared or paid on the Ordinary Shares of the Company.

3. **SPLITTING, RENUNCIATION AND REGISTRATION.** Instructions for dealing with this Letter of Acceptance covering splitting, renunciation and registration, are set out on page 3 and are to be regarded as forming an integral part of this Letter of Acceptance. On registration of renounced Letters of Acceptance in accordance with the instructions on page 3, Barclays Bank Limited will retain pages 3 and 4 and return pages 1 and 2 duly stamped.

4. **SHARE CERTIFICATES.** The relative share certificate(s) will be despatched by post, without further request, on 17th July 1981, to the person(s) named above or, in the case of joint placees, to the first named placee at the address given above or, in the case of a renounee, at the first address given on page 2. If between 24th June, 1981 and 13th July, 1981, this Letter of Acceptance, or, if it has been renounced, pages 1 and 2 thereof, is lodged with Barclays Bank Limited, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU, with the lodging agent's name and address inserted in the space provided at the foot of page 2, the share certificate(s) will be despatched to the lodging agent on 17th July, 1981.

5. **TRANSFERS.** After 24th June, 1981, and pending the issue of share certificates, transfers will be certified by Barclays Bank Limited, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU, against Letters of Acceptance or, where renunciation has taken place, pages 1 and 2 thereof duly stamped.

6. **VALIDITY.** After 17th July, 1981, Letters of Acceptance will cease to be valid for any purpose whatsoever.

Yours faithfully,

for BARCLAYS MERCHANT BANK LIMITED  
OLIVER STOCKEN  
Director.

Exd. ....



**THIS PAGE MUST NOT BE DETACHED****INSTRUCTIONS**

(These instructions form an integral part of this Letter of Acceptance)

**A. IF YOU ARE THE PERSON(S) NAMED ON PAGE 1****1. REGISTRATION IN YOUR NAME(S). (Share certificates will be despatched on 17th July, 1981.)**

If you wish to have all the Ordinary Shares comprised in this Letter of Acceptance registered in your name(s), no further action is necessary. On 17th July, 1981, the relative share certificate will be despatched to you or, in the case of joint placees, to the first named or to your or his/her agent, by post, at your or his/her risk at the address given on page 1, without prior request. It is not necessary to surrender this Letter of Acceptance to be exchanged for such share certificates.

If you wish your share certificate to be despatched to your agent, see paragraph 3 on page 1.

**2. RENUNCIATION IN WHOLE. (Latest time and date for registration of renunciation, 3 p.m., 24th June, 1981.)**

If you wish to dispose of all the Ordinary Shares comprised in this Letter of Acceptance to one person, or to two or more persons who will be joint holders, you must sign the Form of Renunciation (Form X) on page 4, and hand this Letter of Acceptance to the person(s) to or through whom you wish to dispose of your shares.

**3. RENUNCIATION IN PART AND SPLITTING. (Latest time and date for splitting, 3 p.m., 22nd June, 1981.)**

If you wish to dispose of some of the Ordinary Shares comprised herein or to dispose of them to more than one person (other than persons who will be joint holders) this Letter of Acceptance may be split, provided that:—

- (i) application is made to Barclays Bank Limited, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU, not later than 3 p.m. on 22nd June, 1981, stating the number of Ordinary Shares to be comprised in each split Letter of Acceptance; and
- (ii) the application is accompanied by this Letter of Acceptance with the Form of Renunciation (Form X) on page 4 duly completed. On receipt of split Letters of Acceptance which will be endorsed "Original duly renounced", you should retain any which represent Ordinary Shares to be registered in your name(s) and should send the other(s) to the renouncee(s) or to the bank, stockbroker or other agent, who is acting for you in the transaction.

**B. IF YOU ARE THE PERSON(S) IN WHOSE FAVOUR THIS LETTER HAS BEEN RENOUNCED****4. REGISTRATION OF RENOUNCED LETTERS OF ACCEPTANCE. (Latest time and date for registration free of stamp duty, 3 p.m., 24th June, 1981.)**

This entire Letter of Acceptance must be lodged for registration at Barclays Bank Limited, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU, not later than 3 p.m. on 24th June 1981, with the Registration Application Form (Form Y) on page 4 and Form Z on page 2 duly completed. The Bank will retain pages 3 and 4 and return pages 1 and 2, stamped to record registration of renunciation, without which no registration will be recognised. Pages 1 and 2 must be carefully preserved until 17th July, 1981, when the relative share certificate will be despatched by post, at the risk of the person(s) entitled thereto to the first-named holder or his agent as stated on page 1.

**5. CONSOLIDATION.**

If it is desired to have the Ordinary Shares comprised in several renounced Letters of Acceptance registered in the name(s) of one holder or joint holders, the instructions under the heading "Procedure for Consolidation" on page 2 shall be followed.

**C. GENERAL.**

After 3 p.m. on 24th June, 1981, renunciations will not be accepted and the Ordinary Shares comprised in this Letter of Acceptance will be registered in the name(s) of the person(s) named on page 1, and thereafter will be transferable only by a duly stamped instrument of transfer.

Surrender of this Letter of Acceptance with the Form of Renunciation purporting to have been signed by the person(s) in whose name(s) it was issued, or in the case of split Letters of Acceptance, with pages 1 and 2 bearing the stamp of Barclays Bank Limited, New Issues Department impressed thereon, as the case may be, shall be conclusive evidence, in favour of the Company, Barclays Merchant Bank Limited and their respective agents, of the title of the person(s) surrendering it to deal with the same and to receive split Letters of Acceptance and/or a share certificate.

All documents will be sent by ordinary post at the risk of the person(s) entitled thereto.

