

Prime Minister

L.M. Ingham

Ref.A083/2839

MR BUTLER

As you may know, Logica Ltd, the computer software company, is about to go public. In that process the names of the existing shareholders will become public.

2. The Prime Minister should know that one of the shareholders of Logica is Mr Kenneth Baker. Before Mr Baker became Minister for Information Technology, he had been a consultant to Logica for some six years. His shareholding is rather less than half of one per cent of the total equity.

3. When he became Minister for Information Technology, I was consulted on the propriety of his continuing to have this shareholding in a company with which he might be concerned in his Ministerial capacity. Given the fact that his shareholding only amounted to less than half of one per cent of the total equity quoted and given that, as it was not a quoted company, it would have been difficult to dispose of the shareholding except at some loss, I advised that I thought that propriety would be satisfied if Mr Baker would place his shares in a trust in which he had no interest either as a trustee or a beneficiary and over the management of which he had no control or influence. Mr Baker followed that advice.

4. If there is any public comment on Mr Baker's shareholding when the company goes public, his solicitor will issue a statement which will read as follows;

"Mr Baker's shareholding in Logica is rather less than a half of one per cent of the total equity. When Mr Baker became a Minister, he decided, after seeking official advice, to dispose of his shares in Logica to trusts in which he has no interest and over which he has no control."

RA

ROBERT ARMSTRONG

10 October 1983



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10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Thank you for your minute of 10 October (A083/2839) about Mr. Kenneth Baker's shareholding in Logica Limited. I have shown your minute to the Prime Minister who has noted it.

E. E. R. BUTLER

17 October, 1983

PERSONAL AND CONFIDENTIAL