LEO COMPUTERS LTD.

COSTS

The attached schedules are designed to give an indication of both the capital outlay and operating costs of an automatic office.

Schedule 1 Capital Outlay shows the approximate costs of two variations of the LEO II computer and of standard items of ancillary, data-preparation, stabilizing and maintenance equipment. It should be emphasised, however, that it is not possible to prepare a quotation until the customer's work has been examined and the precise arrangement of components required has been determined.

Schedule 2 Operating Costs include a depreciation charge of £10,000 per annum, being 10% of an initial capital outlay of £100,000. This schedule also takes into account salaries of management and wages of operators and maintenance personnel together with costs of power and component replacements.

Shown below are the comparative hourly charges, calculated on the same basis as shown in schedule 2, covering four different types of agreement.

	Operating	Hire	5-year hire on a two-shift basis		Operating	Hire	5-year hire on single-shift		Operating cost	Depreciation	Outright purchase on two-shift basis		Operating cost	Depreciation	Outright purchase on a sir
£12.	£4.	£7.	basis	£21.	ಕ್ಟ	£15.	t basis	80	€5.0T	£3.	hift basi	£12.	ಕ್ಟರ್,	.03	a single-shift basis
0	œ	12.		10.	Ö	ហ		0	0	0	ω	OI.	OI.	0	basis
0	0	0		0	0	0		0	0	0		0	0	0	01
	per	per			per	per			per	per				per	
	hour	hour			hour	hour			hour	hour			hour	hour	

It will be realised that in the first two cases after 10 years, the hourly charge is confined to the figure for operating cost alone. In the last two cases the hire charge is negligible at the expiration of 5 years.

The costs of programming and data preparation are excluded since these have to be assessed separately for each job. However, it is suggested that a figure of 2/8½d per 1,000 characters would be an equitable figure for the latter.

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The attached actaches are designed to give an indication of both the capital our and operating coats of an automatic office.

Schedule 1 Capital Outlay shows his approximate costs of two variations of the Lagran and the precise the Lagran of sucillary, determined and the precise and property in a quotavion while the consoner a work has been examined and the precise arrangement of a quotavion while the consoner a work has been examined and the precise arrangement of a quotavion and the consoner a work has been examined and the precise arrangement of

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Is will be resized that in the first two eases after 10 pears, the hourly obary a house is a confined to the state of the

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LEO COMPUTERS LTD.

COST OF COMPONENTS OF A LEO AUTOMATIC OFFICE

SCHEDULE 1

<u>~</u> (1st variation) LEO II Computer (2nd variation) circuits for Powers printer and magnetic 8192 compartment drum 3 input channels: 2048 compartment rapid access store drum system. 1024 compartment rapid access store Including costs of linkage and control 14 immediate access 14 immediate access 3 input channels: 3 output channels: 2 card-punches (alpha, binary S 1 Powers printer 1 paper tape (binary/decimal) 1 card (alpha, binary or decimal) output channels: 1 paper tape (binary/decimal) 1 combined card (binary or decimal) or tape (binary/decimal) 1 card punch (binary or decimal) 1 Bull or Hollerith printer 1 card (binary or decimal) 1 card (binary or decimal) or decimal) storage system registers registers £60,000 (approximately) £75,000 (approximately)

Tape Reader	Card Punch	eader			Printers
Ferranti	Hollerith		Hollerith	Bull	Powers
£350	£2,350	£1,400	£6,200	£4,000	£5,000

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SCHEDULE 1 (CONT)

ω Data preparation equipment

Power pack for comparators	Tape comparator, incorp teleprinter and reader	Tape perforator (C	
arators	incorporating eader (LEO)	eed)	
£106	£1,065	£113	

Stabilizing and maintenance equipment

4

Maintenance equipme	Fower stabilizing	Ther offer.
pment	equipment (Variation 2)	Brathe Des
£1,216	£2,300	£ ಜ್ರ ७೧೦

NOTE

- -The prices shown are those currently quoted and are given for information only.
- · 10 The ancillary equipment included above, when supplied to a LEO specification, is suitable for coupling to LEO II without further modification or cost.
- ω It should be realised that the 2 variations of the LEO II computer given are only specimens. Other variations are available giving facilities for up to 4 separate input and 3 separate output channels.

LEO COMPUTERS LTD.

OPERATING COST SCHEDULE SINGLE SHIFT

SCHEDULE 2 (1)

CAPITAL COST

Cost per hour for a single shift of 32 productive hours per week	Depreciation Depreciation at 10% per annum	Equipment cost Computer and auxiliary equipment approximately
£6. O. O.	£10,000	£100,000
O		

OPERATING COSTS

	Cost per hour for a single shift of 32 productive hours		Expenses Component replacements	Management Computer manager	1 mechanical engineer 1 valve tester	Maintenance wages 1 senior electronic engineer	1 job assembly assistant	2 operators	1 senior operator	Operators' wages	Single shift week
Total	roductive	£450	£2,000	£1,500	£670	£1,040	£460	£1,500	£1,040		P . a
Total cost per hour	hours per week	£10,340	education in	£1,500	.2,930		£3,460				р. а.
£12.	£6.				30						
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CAFITAL COST

Cost per hour for a double shift of 64 productive hours per week

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£10,000

£100,000

Depreciation at 10% per annum

Depreciation

Equipment cost

Computer and auxiliary equipment
approximately

Cost per hour for a double shift of 64 productive hours Total cost	Expenses Component replacements Fower	Management Computer manager	OPERATING COSTS Double shift week Operators' wages 1 senior operator 4 operators 2 assistants 1 job assembly assistant Maintenance wages 2 senior electronic engineers 3 junior electronic engineers 1 mechanical engineer 1 valve tester
productive how Total co	£4,000 £900	£1,500	P. a. £1,040 £3,000 £920 £460 £1,660 £670 £390
tive hours per week £5. Total cost per hour £8.	£4,900 £16,620	£1,500	F. a. £5,420
000			TTARESO

JUNE, 1957