

Company registration number 1194404

QUOTIENT PLC

Report and financial statements

for the year ended

31 May 2008



DIRECTORS' REPORT

The Directors present their annual report and audited financial statements of the Company for the year ended 31 May 2008.

Principal activities and review of the business

The Company acts as an intermediate holding company within the Misys Group. No significant change in the activities of the Company is envisaged in the forthcoming year.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Results and dividends

The results of the Company for the year are set out in detail on page 2. The Directors do not recommend the payment of a dividend (2007: £nil). The company did not trade during the year, as a result, no profit or loss was transferred to reserves (2007: profit of £210,000).

Directors

The Directors who served during the year and up to the date of signing the financial statements were as follows:

Misys Corporate Director Limited
P R Copeland

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

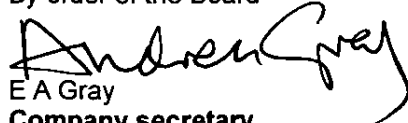
The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with section 249AA and 249B of the Companies Act 1985, the Company was entitled to exemption from the requirement to have its financial statements for the year ended 31 May 2008 audited.

By order of the Board


E A Gray

Company secretary
13 November 2008

QUOTIENT PLC
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2008

| | Note | 2008 £'000 | 2007 £'000 |
|--|------|---------------|---------------|
| Other operating income (charges) | | - | 210 |
| Profit on ordinary activities before taxation | 2 | <u>-</u> | <u>210</u> |
| Tax on profit (loss) on ordinary activities | 3 | - | - |
| Profit for the financial year | 9 | <u>-</u> | <u>210</u> |

The Company has not traded during the current year, consequently no figures have been entered into the profit and loss accounts submitted.

The notes to the financial statements are on pages 4 to 6.

QUOTIENT PLC
BALANCE SHEET AS AT 31 MAY 2008

| | Note | 2008 £'000 | 2007 £'000 |
|--|------|---------------------|---------------------|
| Fixed assets | | | |
| Investments | 4 | - | - |
| Amounts due from group undertakings | 5 | <u>5,640</u> | <u>5,640</u> |
| | | 5,640 | 5,640 |
| Creditors: amounts falling due after more than one year | 6 | (1,410) | (1,410) |
| Net assets | | <u>4,230</u> | <u>4,230</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | 697 | 697 |
| Share premium account | 8 | 2,844 | 2,844 |
| Merger reserve | 8 | 1,225 | 1,225 |
| Profit and loss account | 8 | (536) | (536) |
| Total shareholders' funds | 9 | <u>4,230</u> | <u>4,230</u> |

The Directors:

- i. confirm that for the year ended 31 May 2008 the Company was entitled to the exemption under section 249AA(1) of the Companies Act 1985 from the requirement to have its financial statements audited.
- ii. confirm that members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- iii. acknowledge their responsibility for:
 - ensuring the Company keeps accounting records which comply with section 221; and
 - preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 2 to 6 were approved by the Board of Directors on 13 November 2008 and signed on its behalf by:



Misys Corporate Director Limited
Director

QUOTIENT PLC
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

Investments

Investments in subsidiary undertakings held as fixed assets are stated at cost plus incidental expensed less any provision for impairment considered necessary. Impairment reviews are performed by the directors when there has been an indication of potential impairment. The value in use is determined from estimated discounted future cash flows. Discount rates used are based on the cost of capital of the ultimate parent company, Misys plc.

Deferred taxation

Deferred taxation is recognised, using the liability method, in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax in the future.

Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted, or where there are deferred tax liabilities against which the assets can be recovered.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash flow and related party disclosures

The Company is a wholly owned subsidiary of Misys plc and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996) 'Cash flow statements'.

The Company has also taken advantage of the exemption under FRS8 'Related Party Disclosures' not to disclose transactions with group undertakings since Misys plc is the beneficial owner of the entire equity share capital of the Company.

2. PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Remuneration of the auditors and Directors has been borne by a fellow subsidiary as was the case in the prior year. There were no employees in the year (2007: nil).

3. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES

| | 2008 £'000 | 2007 £'000 |
|---|---------------|---------------|
| Current tax: | | |
| UK corporation tax on profit for the year | - | - |

QUOTIENT PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES (continued)

The tax assessed in the year is the same as (2007: lower than) the standard rate of UK corporation tax of 29.67% (2007: 30%) in the UK. The difference is explained below:

| | 2008 £'000 | 2007 £'000 |
|--|---------------|---------------|
| Profit (loss) on ordinary activities before taxation | - | 210 |
| Current tax charge for the year at the standard rate of UK tax of 29.67%(2007: | - | 63 |
| Disposal / Write down of investments | - | (63) |
| Current tax charge for the year | - | - |

The Company has no recognised or unrecognised deferred tax asset or liability (2007: £nil).

4. INVESTMENTS

| | 2008 £'000 | 2007 £'000 |
|-----------------------|---------------|---------------|
| Cost | | |
| At 1 June | 488 | 687 |
| Disposal | - | (239) |
| At 31 May | 448 | 448 |
| Impairment | | |
| At 1 June | (448) | (687) |
| Disposal | - | 239 |
| At 31 May | (448) | (448) |
| Net book value | | |
| At 1 June and 31 May | - | - |

The disposal in the prior year relates to the dissolution of ACT Financial Systems Far East Limited.

Details of subsidiaries are as follows:

| Name | Country of Incorporation | Proportion of ordinary and preference share capital held |
|-----------------------------------|-----------------------------|---|
| ACT Clearing Services Limited | England and Wales | 99.999% |
| Datacorp Limited | England and Wales | 99.993% |
| Quotient Business Systems Limited | England and Wales | 99.980% |
| Practical Programs Limited | England and Wales | 99.333% |
| Quotient Computers Limited | England and Wales | 99.000% |
| Quotient Holdings Limited | England and Wales | 99.000% |
| Quotient International Limited | England and Wales | 99.000% |
| Quotient Leasing Limited | England and Wales | 99.000% |
| Quotient Systems Limited | England and Wales | 99.000% |

All subsidiary undertakings are dormant.

In the opinion of the Directors the value of the Company's investments is not greater than the underlying net asset value of the subsidiary undertakings.

The Company is a wholly owned subsidiary of Misys plc and has consequently taken advantage of Section 228 Companies Act 1985 not to prepare group financial statements

QUOTIENT PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

5. DEBTORS

| | 2008 £'000 | 2007 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | <u>5,640</u> | <u>5,640</u> |

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand. The Company however, has no immediate intention to recall these loans in the short term thus these are classified as non-current.

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2008 £'000 | 2007 £'000 |
|-----------------------------------|---------------|---------------|
| Amounts due to group undertakings | <u>1,410</u> | <u>1,410</u> |

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand. However payment is not expected within the short term thus these are classified as non-current.

7. CALLED UP SHARE CAPITAL

| | 2008 £'000 | 2007 £'000 |
|---------------------------------------|---------------|---------------|
| Authorised | | |
| 17,000,000 ordinary shares of 5p each | <u>850</u> | <u>850</u> |
| Allotted and fully paid | | |
| 13,946,125 ordinary shares of 5p each | <u>697</u> | <u>697</u> |

8. RESERVES

| | Share premium account £'000 | Merger reserve £'000 | Profit and loss account £'000 |
|-----------------------------------|-----------------------------------|----------------------------|--|
| At 1 June 2007 and at 31 May 2008 | <u>2,844</u> | <u>1,225</u> | <u>(536)</u> |

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2008 £'000 | 2007 £'000 |
|---|---------------|---------------|
| Retained profit (loss) for the financial year | - | 210 |
| Opening shareholders' funds | <u>4,230</u> | <u>4,020</u> |
| Closing shareholders' funds | <u>4,230</u> | <u>4,230</u> |

10. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Misys International Banking Systems Limited.

The parent company of both the largest and smallest group in which Quotient plc is included in consolidated accounts is that of Misys plc.

The Company's ultimate parent company and controlling party is Misys plc, a company registered in England and Wales. Copies of the group financial statements of Misys plc may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.