Company Registration Number 1194404

Quotient plc

Report and financial statements

for the year ended

31 May 2011

Quotient plc
Company Registration Number 1194404

Directors' report for the year ended 31 May 2011

The Directors present their annual report and audited financial statements of the Company for the year ended 31 May 2011

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

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately Accordingly, the principal risks and uncertainties of Misys plc, which include those of the Company, are discussed on pages 58 – 59 of the Group's annual report which does not form part of this report

Key performance indicators

The Directors of Misys plc manage the Misys Group's operations on a divisional basis For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Quotient plc The development, performance and position of the Group is discussed on pages 28 – 31 of the Group's annual report which does not form part of this report

Results and dividends

The results of the Company for the year are set out in detail on page 5 No interim dividend was paid during the year (2010 £nil) The Directors do not recommend the payment of a dividend (2010 £nil) Loss of £119,000 (2010 profit of £109,000) was transferred from (2010 transferred to) reserves

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	
N Farrimond	(appointed 2 June 2010)
R L Ham	(resigned 2 June 2010)
J Cheesewright	(resigned 26 July 2010)
T Homer	(appointed 26 July 2010)

Financial risk management

The Company's operations expose it to a variety of financial risks including foreign exchange currency risks, credit risk and liquidity risk

Foreign exchange currency risk
The Company operates internationally and is exposed to foreign currency exposures, primarily the US Dollar and the Euro Foreign exchange risks arise when future commercial transactions and recognised assets and liabilities are denominated in currencies that are not the Company's functional currency

To manage this risk, the Company enters into forward contracts with the Group Treasury The Group Treasury nets and consolidates the global prescribed hedges in the market with external forward contracts

Credit risk
The Company's principal financial assets are cash, bank balances, and trade and other receivables The Company's credit risk is primarily attributable to its trade receivables It has policies in place to ensure that sales are made to customers with an appropriate credit history, and also policies that limit the amount of credit exposure to any financial institution The Company has no significant concentrations of credit risk, with exposures spread over a large number of customers

Liquidity risk
The Company currently has no requirements for debt finance, sufficient funds for operations are maintained at a Group level Further details of the Group's risk policies are available within the Annual Report of Misys plc

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law, the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006 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

Disclosure of information to auditors

So far as each Director is aware, there is no relevant audit information of which the Company's auditors were unaware The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Directors' indemnities

All Directors have been granted an indemnity by the ultimate parent company, Misys plc, to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 which was made during the financial year and remains in force at the date of this report

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and are deemed automatically re-appointed

By order of the Board

For and on behalf of
Misys Corporate Director Limited
Director
23 September 2011

Independent Auditor's Report to the members of

Quotient plc

We have audited the financial statements of Quotient plc for the year ended 31 May 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 May 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent Auditor's Report to the members of

Quotient plc

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Giles Hannam (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 September 2011

Quotient plc

Profit and loss account for the year ended 31 May 2011

	Note	**2011** **£'000**	2010 £'000
Administrative expenses		**(10)**	-
Loss on ordinary activities before taxation	2	**(10)**	-
Tax on loss on ordinary activities	3	**(109)**	109
(Loss) profit for the financial year	8	**(119)**	109

The notes to the financial statements are on pages 8 to 11

The results for both years reflect continuing operations

There were no recognised gains or losses for the years other than the (loss) profit for the financial year stated above Accordingly, no statement of total recognised gains and losses is given

There are no material differences between the loss on ordinary activities before taxation and the (loss) profit for the financial years stated above and their historical cost equivalents

Quotient plc

Balance sheet as at 31 May 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments	4	-	-
Current assets			
Debtors			
- falling due within one year	5	-	109
- falling due after more than one year	5	5,630	5,826
Total assets less current liabilities		5,630	5,935
Creditors amounts falling due after more than one year	6	(1,398)	(1,584)
Net assets		4,232	4,351
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	(534)	(415)
Total shareholders' funds	9	4,232	4,351

The financial statements on pages 6 to 11 were approved by the Board of Directors on 23 September 2011 and signed on its behalf by

T Homer
Director

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 2006 and applicable accounting standards in the United Kingdom The principal accounting policies which have been consistently applied to all the years presented, unless otherwise stated, are set out below

Fixed asset investments
Investments held as fixed assets are stated at cost less provision considered necessary for any impairment

The need for any impairment write down for investments or loans to fellow group companies is assessed by comparison of the carrying value of the asset against the recoverable amount Any impairment losses are immediately charged to profit and loss account

Taxation
Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

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 FRS 1 (revised 1996) 'Cash Flow Statements'

The Company has also taken advantage of the exemption under FRS 8 'Related party transactions' not to disclose transactions with group undertakings since Misys plc is the beneficial owner of the entire equity share capital of the Company

2. Loss on ordinary activities before taxation

Remuneration of the auditors for the audited of statutory financial statements was £1,000 (2010 £1,000) and has been borne by another group undertaking and not recharged Remuneration of Directors has been paid by other group companies, as was the case in the prior year The Directors services to this Company and to a number of fellow subsidiaries are of non-executive nature and their emoluments are deemed to be wholly attributable to their services to other group companies Accordingly, no emoluments details are disclosed in these financial statements There were no employees in the year (2010 nil)

3. Tax on loss on ordinary activities

	2011	2010
	£'000	£'000
Current tax		
Adjustments in respect of prior year	**(109)**	109
Tax on (loss) profit on ordinary activities	**(109)**	109

The tax assessed for the current year is higher (2010 higher) than the standard rate of corporation tax in the UK of 27 67% (2010 28%) The differences are explained below

	2011 £'000	2010 £'000
Loss on ordinary activities before taxation	**10**	-
Tax on loss on ordinary activities at the standard rate of UK tax of 27 67% (2010 28%)	**3**	-
Effects of		
Adjustment in respect of prior years	**(109)**	109
Tax adjustment on intercompany transactions	**(166)**	-
Group relief claimed for nil consideration	**163**	-
Current tax (charge) credit for the year	**(109)**	109

There is no provided / unprovided deferred tax balance at 31 May 2011 (2010 £nil)

A number of changes to the UK corporation tax system were announced in the March 2011 Budget Statement The Finance Act 2011 was enacted in July 2010 and reduces the main rate of corporation tax from 28% to 26% from 1 April 2011 Further reductions are proposed to be enacted separately each year with the aim of reducing the rate by 1% per annum to 23% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements We estimate the reduction in the corporation tax rate from 26% to 23% will not have a material impact on the Company's results

4. Fixed asset Investments

	2011 £'000
Cost	
At 1 June 2010 and 31 May 2011	**447**
Provision for impairment	
At 1 June 2010 and 31 May 2011	**(447)**
Net book value	
At 1 June 2010 and 31 May 2011	**-**

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%
Practical Programs Limited	England and Wales	99 333%

All subsidiary undertakings are dormant

In the opinion of the Directors, the value of the Company's investments is not less than their recoverable amounts

The Company is a wholly owned subsidiary of Misys plc and has consequently taken advantage of Section 400 Companies Act 2006 not to prepare group financial statements

5. Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year		
Corporation tax	-	109
Amounts falling due after more than one year		
Amounts due from group undertakings	**5,630**	5,826

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 and so these amounts are classified as non-current assets

6. Creditors

	2011 £'000	2010 £'000
Amounts falling due after more than one year		
Amounts due to group undertakings	**1,398**	1,584

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

7. Called up share capital

	2011 £'000	2010 £'000
Authorised		
17,000,000 (2010 17,000,000) Ordinary shares of 5p each	**850**	850
Allotted and fully paid		
13,946,125 (2010 13,946,125) Ordinary shares of 5p each	**697**	697

8. Reserves

	Share premium account £'000	Merger reserve £'000	Profit and loss account £'000
At 1 June 2010	2,844	1,225	(415)
Loss for the financial year	-	-	(119)
At 31 May 2011	**2,844**	**1,225**	**(534)**

9. Reconciliation of movement in shareholders' funds

	2011 £'000	2010 £'000
(Loss) profit for the financial year	**(119)**	109
Opening shareholders' funds	**4,351**	4,242
Closing shareholders' funds	**4,232**	4,351

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 financial statements 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 Company Secretary of Misys plc, One Kingdom Street, Paddington, London W2 6BL