

QUOTIENT PLC

Report and Financial Statements

31 May 2001



QUOTIENT PLC

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 May 2001.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company is to act as an intermediate parent company within the Misys Group of Companies. The Company has not traded during the year. No significant change is expected in the foreseeable future.

RESULTS AND DIVIDENDS

The results and dividends of the Company for the year are set out in detail on page 4.

The Directors do not recommend the payment of a dividend (2000 : £nil).

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and the interests of those serving at the end of the year in the shares of the ultimate parent company, Misys plc, were as follows:

	Misys plc	
	Ordinary shares of 1p each	
	2001	2000
R K Graham	*	*
R O Evans	#	#

* R K Graham is a Director of the ultimate parent company, Misys plc, and his interest in shares, share option schemes and share plans of Misys plc are shown in the financial statements of that company.

R O Evans is a Director of an intermediate parent company, Misys Holdings Limited and his interest in shares, share option schemes and share plans are shown in the financial statements of that company.

No Director had any interest in shares of the Company or any other group undertakings except as disclosed above.

AUDITORS

PricewaterhouseCoopers have expressed their willingness to continue in office as Auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 18 July 2001 and signed on its behalf by:



R O EVANS, Director

QUOTIENT PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required to prepare financial statements 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 the profit or loss of the Company for the year to that date. The requirements are specified in the Companies Act 1985 and in applicable accounting standards. It is also the Directors' responsibility to:

Maintain adequate accounting records;

Safeguard the assets of the Company;

Take reasonable steps to prevent and detect fraud and other irregularities;

Prepare financial statements on the going concern basis, unless it is inappropriate;

The Directors confirm that suitable accounting policies consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed.

AUDITORS' REPORT TO THE MEMBERS OF

QUOTIENT PLC

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

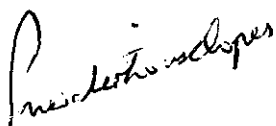
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

18 July 2001

QUOTIENT PLC
PROFIT AND LOSS ACCOUNT

Year ended 31 May 2001

	Note	2001 £'000	2000 £'000
Operating costs			
Administrative expenses		-	(6)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	(6)
Tax on loss on ordinary activities	4	-	2
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR	9	-	(4)

All gains and losses on result from continuing operations. There are no gains or losses for the year other than the loss for the financial years above. Accordingly, no statement of total recognised gains and losses is given.

**QUOTIENT PLC
BALANCE SHEET**

31 May 2001

	Note	2001 £'000	£'000	2000 £'000	£'000
FIXED ASSETS					
Investments	5		596		596
CURRENT ASSETS					
Debtors	6	4,124		4,122	
CREDITORS: amounts falling due within one year	7	<u>(107)</u>		<u>(105)</u>	
NET CURRENT ASSETS			4,017		4,017
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,613</u>		<u>4,613</u>
CAPITAL AND RESERVES					
Called up share capital	8		697		697
Share premium account			2,844		2,844
Merger reserve			1,225		1,225
Profit and loss account	9		<u>(153)</u>		<u>(153)</u>
EQUITY SHAREHOLDERS' FUNDS	10		<u>4,613</u>		<u>4,613</u>

Approved by the Board of Directors on 18 July 2001 and signed on its behalf by



R O EVANS, Director

QUOTIENT PLC
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2001

1. ACCOUNTING POLICIES

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).

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Investments

Investments are shown at cost less provision considered necessary for any impairment in value.

The need for any impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value or value in use. The value in use is determined from estimated discounted future cash flows. Discount rates used are based on the cost of capital.

Deferred taxation

Deferred taxation is calculated using the liability method on all timing differences, at the rate at which it is anticipated the timing difference will reverse. Deferred taxation assets are only recognised if recovery beyond reasonable doubt is within the foreseeable future.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging auditors remuneration of £nil (2000: £nil).

3. EMPLOYEES AND DIRECTORS

The Company has no employees (2000 : nil) and the Directors have not received any remuneration (2000 : £nil).

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001	2000
	£'000	£'000
Corporation tax credit for the year at 30% (2000 : 30%)	-	2

QUOTIENT PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2001

5. INVESTMENTS

Shares in
subsidiary
undertakings
£'000

Cost

At 1 June 2000 and 31 May 2001

696

Provision

At 1 June 2000 and 31 May 2001

100

Net book value

At 31 May 2000 and 31 May 2001

596

Details of principal subsidiaries are as follows:

ACT Clearing Services Limited	(England and Wales)
Datacorp Limited	(England and Wales)
Quotient Business Systems Limited	(England and Wales)
Practical Programs Limited	(England and Wales)
ACT FS Far East Limited	(Hong Kong)
Quotient Computers Ltd	(England and Wales)
Quotient Holding Ltd	(England and Wales)
Quotient International Ltd	(England and Wales)
Quotient Leasing Ltd	(England and Wales)
Quotient Systems Ltd	(England and Wales)

All holdings represent 100% of the issued ordinary and preference share capital of the subsidiary undertakings, and are dormant.

In the opinion of the Directors the aggregate value of the Company's investments is not less 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 S228 Companies Act 1985 not to prepare group financial statements.

6. DEBTORS

	2001	2000
	£'000	£'000
Amounts due from group undertakings	4,124	4,122

QUOTIENT PLC
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2001

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001	2000
	£'000	£'000
Corporation tax	102	100
Accruals and deferred income	5	5
	<u>107</u>	<u>105</u>

8. CALLED UP SHARE CAPITAL

	2001	2000
	£'000	£'000
Authorised		
17,000,000 Ordinary shares of 5p each	<u>850</u>	<u>850</u>
Allotted, called up and fully paid		
13,946,125 Ordinary shares of 5p each	<u>697</u>	<u>697</u>

9. PROFIT AND LOSS ACCOUNT

	£'000
At 1 June 2000 and 31 May 2001	<u>(153)</u>

10. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2001	2000
	£'000	£'000
Loss for the financial year	-	(4)
Opening shareholders' funds	<u>4,613</u>	<u>4,617</u>
Closing shareholders' funds	<u>4,613</u>	<u>4,613</u>

QUOTIENT PLC
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2001

11. ULTIMATE PARENT COMPANY AND GROUP TRANSACTIONS

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 CF4 3UZ.

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