

SUNQUEST EUROPA LIMITED

(Registered No. 2774580)

Report and Accounts

Year ended 31 December 2001



Sunquest Europa Limited

Registered No. 2774580

DIRECTORS

A Lawson
C Lambert
T Skelton
D Godfrey

SECRETARY

D Godfrey
A Lawson

AUDITORS

PricewaterhouseCoopers
1 Embankment Place
London WC2N 6RH

SOLICITORS

Osborne Clarke
Hillgate House
26 Old Bailey
London EC4M 7HS

REGISTERED OFFICE

Osborne Clarke
7th Floor
Hillgate House
26 Old Bailey
London EC4M 7HW

Sunquest Europa Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2001.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £115,881 (2000 - £73,150 loss). The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activities during the year were those of marketing, sales and servicing of information systems. The directors anticipate that this will continue to be the Company's principal activity for the foreseeable future.

POST BALANCE SHEET EVENTS

None.

DIRECTORS AND THEIR INTERESTS

The directors of the Company who served during the year were:

N Dmetruk (resigned 4 September 2001)
S Goldblatt (resigned 4 September 2001)
S Lehman (resigned 4 September 2001)
A Lawson (appointed 5 September 2001)
C Lambert (appointed 5 September 2001)
T Skelton (appointed 5 September 2001)

David Godfrey was appointed a director of the Company and the Company Secretary on 29 October 2002.

None of the directors had any beneficial interests in the share capital of the Company as at 31 December 2001. The director's interests in the share capital of the Company's ultimate parent undertaking, Misys plc, at 31 December 2001 were:

	<i>Date of 2001 appointment</i>	
A Lawson	-	-
C Lambert	10,950	-
T Skelton	47,229	40,438

The options held by the directors over the shares of the Company's ultimate parent undertaking, Misys plc, were as follows:

	<i>Executive options</i>	<i>Savings related options</i>	<i>2001 Total</i>	<i>Date of appointment Total</i>
A Lawson	41,192	-	41,192	47,138
C Lambert	242,248	3,358	245,606	245,606
T Skelton	338,867	-	338,867	115,081

Sunquest Europa Limited

DIRECTORS' REPORT

On 9 October 2001 C Lambert and T Skelton were granted rights to acquire shares of the ultimate parent undertaking, Misys plc, in relation to annual, matching and deferred awards in the Misys Annual Award Plan as follows:

	<i>Annual award</i>	<i>Matching award</i>	<i>Deferred award</i>	<i>Total</i>
C Lambert	10,950	18,250	18,250	47,450
T Skelton	6,791	11,319	11,319	29,429

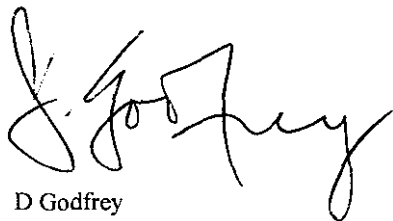
In addition to the above at 31 December 2001 T Skelton had potential rights to acquire 38,039 shares (date of appointment: 38,039 rights) under the Misys 1998 Long Term Incentive Plan.

Details of all the Share Option Schemes and the Scheme Incentive Plans together with performance criteria, where applicable, are disclosed in the Annual Report and Financial Statements of the ultimate parent undertaking, Misys plc.

AUDITORS

PricewaterhouseCoopers were appointed as the Company's auditors by the director's following the resignation of Ernst & Young LLP. The Auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the annual General Meeting.

On behalf of the board



D Godfrey

(Director)

6 November 2002

Sunquest Europa Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

INDEPENDENT AUDITORS' REPORT
to the members of Sunquest Europa Limited

We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing practices Board.

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 Companies Act 1985. 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 with the company is not disclosed.

We read the other information 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. The other information comprises only the directors' report.

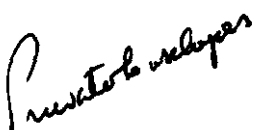
Basis of audit opinion

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 accounts 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 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

6 November 2002

Sunquest Europa Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

	Notes	2001 £	2000 £
TURNOVER	2	1,316,028	1,705,469
Cost of sales		(688,034)	(865,087)
Gross profit		627,994	840,382
Administrative expenses		(843,361)	(1,018,937)
OPERATING LOSS	3	(215,367)	(178,555)
Interest receivable and similar income	6	99,486	105,102
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(115,881)	(73,453)
Tax on loss on ordinary activities	7	-	303
LOSS FOR THE FINANCIAL YEAR	13	(115,881)	(73,150)

The results for the year and the prior year derive entirely from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss for the year ended 31 December 2001 of £115,881 and the loss of £73,150 for the year ended 31 December 2000.

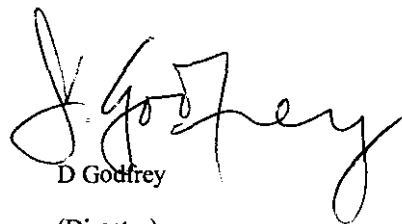
Sunquest Europa Limited

BALANCE SHEET

at 31 December 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	9,697	31,628
CURRENT ASSETS			
Stocks	9	14,472	-
Debtors	10	3,698,451	915,221
Finance lease receivables		-	14,674
Cash at bank and in hand		601,814	3,270,224
		4,314,737	4,200,119
CREDITORS: amounts falling due within one year	11	(952,910)	(744,342)
NET CURRENT ASSETS		3,361,827	3,455,777
TOTAL ASSETS LESS CURRENT LIABILITIES		3,371,524	3,487,405
CAPITAL AND RESERVES			
Called up share capital	12	3,600,003	3,600,003
Profit and loss account	13	(228,479)	(112,598)
EQUITY SHAREHOLDERS' FUNDS	13	3,371,524	3,487,405

Approved by the Board of directors on 6 November 2002 and signed on its behalf by:



D Godfrey

(Director)

Sunquest Europa Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.

Turnover

Turnover, which is stated net of value added tax, represents the amounts invoiced to customers in respect of the following:

Hardware sales:	amounts recognized upon delivery
Software sales:	recognised either at installation or on a percentage completion basis, depending on the type of software
Support and maintenance sales:	recognised rateably over the contract period.

Software revenue recognised at installation is only recognised when there are no significant vendor obligations remaining. In instances where a significant vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer hardware	-	3 years
Computer software	-	3 years
Office furniture	-	3 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. During 2001 and 2000 there were no impairment losses recorded.

Finance lease receivables

The investments in finance leases are stated at the sum of the total minimum lease payments, less finance lease income deferred to future periods. Finance lease income is recognised on a basis that produces a constant rate of return on the net cash investment in the lease.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Operating lease commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Sunquest Europa Limited

NOTES TO THE ACCOUNTS at 31 December 2001

1. ACCOUNTING POLICIES (Continued)

Stocks

Stocks are valued at the lower of cost and net realisable value.

Pensions

The company makes pension contributions to the individual employee's personal pension plan. These are charged to the profit and loss account as they become payable.

Statement of cash flows

The company is exempt from the requirement to prepare a statement of cash flows under FRS 1 as it is a wholly owned subsidiary of another undertaking which produces publicly available consolidated accounts, including a statement of cash flows.

2. TURNOVER

The company's turnover across business activity, which is all continuing, is as shown below:

	2001	2000
	£	£
Hardware	29,968	267,927
Software	272,039	486,563
Maintenance	1,014,021	950,979
	<u>1,316,028</u>	<u>1,705,469</u>

An analysis of turnover by geographical market is given below:

	2001	2000
	£	£
United Kingdom	1,040,786	1,212,877
Denmark	275,242	492,592
	<u>1,316,028</u>	<u>1,705,469</u>

3. OPERATING LOSS

This is stated after charging:

	2001	2000
	£	£
Operating lease rentals	44,204	60,324
Depreciation of tangible fixed assets	21,931	20,657
Auditors' remuneration	25,612	31,845
	<u>91,747</u>	<u>112,826</u>

4. DIRECTORS' REMUNERATION

None of the directors of the Company received any remuneration for their services to the Company (2000: nil).

Sunquest Europa Limited

NOTES TO THE ACCOUNTS at 31 December 2001

5. STAFF COSTS

	2001	2000
	£	£
Wages and salaries	284,625	393,538
Social security costs	31,183	36,794
Other pension costs	8,906	6,466
	<u>324,714</u>	<u>436,798</u>

The company had 8 employees during the year (2000 - 10). All were engaged in sales and administration.

6. INTEREST INCOME

	2001	2000
	£	£
Bank interest	99,486	99,277
Other interest income	-	5,825
	<u>99,486</u>	<u>105,102</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001	2000
	£	£
Based on the loss for the year at 30% (2000: 30%):		
Corporation tax	-	-
Corporation tax over provided in previous years	-	(303)
	<u>-</u>	<u>(303)</u>

The unrecognised deferred tax assets at 31 December 2001 comprised:

	2001	2000
	£	£
Losses	37,508	14,839
Short term timing differences	8,721	2,938
	<u>46,229</u>	<u>17,777</u>

Sunquest Europa Limited

NOTES TO THE ACCOUNTS at 31 December 2001

8. TANGIBLE FIXED ASSETS

	<i>Office furniture £</i>	<i>Computer hardware and software £</i>	<i>Total £</i>
Cost:			
At 1 January 2001 and 31 December 2001	15,307	66,194	81,501
Accumulated depreciation:			
At 1 January 2001	8,586	41,287	49,873
Charge for the year	2,580	19,351	21,931
At 31 December 2001	11,166	60,638	71,804
Net book value:			
At 31 December 2001	4,141	5,556	9,697
At 1 January 2001	6,721	24,907	31,628

9. STOCKS

	<i>2001 £</i>	<i>2000 £</i>
Goods held for resale	14,472	-
	<u>14,472</u>	<u>-</u>

10. DEBTORS

	<i>2001 £</i>	<i>2000 £</i>
Trade debtors	489,083	880,735
Amounts owed by group undertakings	3,089,975	-
Other debtors	5,513	9,326
Prepayments and accrued income	113,880	24,920
Corporation tax	-	240
	<u>3,698,451</u>	<u>915,221</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

Sunquest Europa Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

11. CREDITORS: amounts falling due within one year

	2001	2000
	£	£
Trade creditors	6,202	8,850
Amounts owed to group undertakings	321,730	164,421
Corporation tax	1,313	-
Other taxes and social security costs	44,104	47,104
Accruals and deferred income	579,561	523,967
	<u>952,910</u>	<u>744,342</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

12. SHARE CAPITAL

	2001	Authorised 2000	Allotted, called up and fully paid 2001	2000
	£	£	£	£
Ordinary shares of £1 each	10,000,000	10,000,000	3,600,003	3,600,003

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
At 1 January 2000	3,600,003	(39,448)	3,560,555
Loss for the year	-	(73,150)	(73,150)
At 1 January 2001	3,600,003	(112,598)	3,487,405
Loss for the year	-	(115,881)	(115,881)
At 31 December 2001	<u>3,600,003</u>	<u>(228,479)</u>	<u>3,371,524</u>

14. PENSION ARRANGEMENTS

The Company makes pension contributions to the individual employee's personal pension plan. These are charged to the profit and loss account as they become payable.

Sunquest Europa Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

15. OTHER FINANCIAL COMMITMENTS

At 31 December 2001 the Company had annual commitments under non-cancellable operating leases as set out below:

	<i>2001</i>	<i>Other</i>
	<i>£</i>	<i>2000</i>
		<i>£</i>
Operating leases which expire:		
Within one year	-	9,830
In two to five years	47,673	38,065
	<u>47,673</u>	<u>47,895</u>

16. RELATED PARTIES

The Company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings since Misys plc is the beneficial owner of all the equity share capital of the Company.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

In the directors' opinion Misys Hospital Systems, Inc., ("MHS") a company incorporated in the USA, was the Company's parent undertaking and controlling party at 31 December 2001. MHS's ultimate parent undertaking, Misys, Plc., is the smallest and largest group of undertakings of which the Company is a member and for which group accounts are prepared. Copies of its group accounts may be obtained from Burleigh House, Chapel Oak, Salford Priors, Worcestershire, WR11 5SH.