

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2000

REGISTERED NUMBER 03039069



QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000

DIRECTORS

H H Freier
F W Koster
C R Collier

SECRETARY

C R Collier

REGISTERED OFFICE

The Lodge
Station Road
Chinnor
Oxon
OX9 4HA

COMPANY NUMBER

03039069

AUDITORS

Fish Partnership
Chartered Accountants
and Registered Auditor
The Mill House
Boundary Road
Londwater
High Wycombe
Bucks
HP10 9QN

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2000

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The following do not form part of the statutory financial statements:

13	Trading and Profit and Loss Account
14	Profit and Loss Account Summaries

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2000

The directors present their report and the audited financial statements of the company for the year ended 31 May 2000.

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to:-

- 1) select suitable accounting policies and then apply them consistently.
- 2) make judgements and estimates that are reasonable and prudent.
- 3) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 4) 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 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 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.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the Distribution and Support of Computer Software Products.

DIRECTORS

The directors who served during the year are shown below:

H H Freier
F W Koster
C R Collier

The directors' have no beneficial interests in the issued ordinary share capital of the company which is wholly held by Quality Systems International Corporation, incorporated in U.S.A.

The directors do have beneficial interests in the share capital of Quality Systems International Corporation which represents 52.50% of the issued capital and these are as follows:

	2000	1999
	No.	No.
H H Freier	238	238
F W Koester	238	238
C R Collier	50	50

AUDITORS

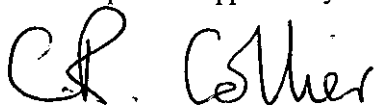
The auditors, Fish Partnership, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2000

SMALL COMPANY EXEMPTIONS

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

This report was approved by the board on 11 December 2000 and signed on their behalf.

A handwritten signature in black ink, appearing to read 'C R Collier', is written over the printed name.

Signed
C R Collier

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
FOR THE YEAR ENDED 31 MAY 2000

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

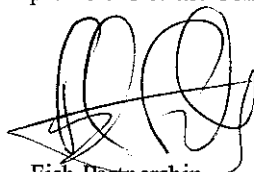
Basis of opinion

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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Fish Partnership
Chartered Accountants
and Registered Auditor

The Mill House
Boundary Road
Loudwater
High Wycombe
Bucks
HP10 9QN

11 December 2000

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2000

	Notes	2000 £	1999 £
TURNOVER			
Continuing operations		575,803	571,580
Cost of sales		38,341	13,000
GROSS PROFIT		537,462	558,580
Net operating expenses		535,147	453,795
OPERATING PROFIT	2	2,315	104,785
Continuing operations			
Interest receivable and similar income	3	2,319	2,878
Interest payable and similar charges	4	(1,016)	(1,190)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,618	106,473
Tax on ordinary activities	5	708	29,488
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,910	76,985
RETAINED PROFIT FOR THE FINANCIAL YEAR		£ 2,910	£ 76,985

The company made no recognised gains and losses other than those reported in the profit and loss account.

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
BALANCE SHEET
AT 31 MAY 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	6	21,951	26,840
CURRENT ASSETS			
Debtors	7	187,245	194,908
Cash at bank and in hand		76,921	148,012
		<u>264,166</u>	<u>342,920</u>
CREDITORS: Amounts falling due within one year	8	<u>112,273</u>	<u>198,826</u>
NET CURRENT ASSETS		151,893	144,094
NET ASSETS		<u>£ 173,844</u>	<u>£ 170,934</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	173,744	170,834
TOTAL EQUITY SHAREHOLDERS FUNDS		<u>£ 173,844</u>	<u>£ 170,934</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

The accounts were approved by the board of directors on 11 December 2000



C Collier, Director

The notes on pages 9 to 12 form part of these financial statements

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MAY 2000

	2000 £	1999 £
Profit for the financial year	2,910	76,985
	<hr/> 2,910	<hr/> 76,985
Net addition to shareholders' funds	2,910	76,985
Opening shareholders' funds	170,934	93,949
Closing shareholders' funds	<hr/> £ 173,844	<hr/> £ 170,934

The notes on pages 9 to 12 form part of these financial statements

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2000

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention.

1b. Tangible fixed assets

Fixed assets are shown at historical cost.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life by the reducing balance method.

	2000	1999
	%	%
Motor vehicles	30	30
Fixtures and fittings	25	25
Equipment	33	33

1c. Taxation

Corporation tax payable is provided on taxable profits at the current rate.

1d. Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of goods and services in the normal course of business.

1e. Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

1f. Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2000

2. OPERATING PROFIT

	2000	1999
	£	£
Profit on ordinary activities is stated after charging:		
Operating leases	2,977	-
Auditors' remuneration		
Audit services	2,600	2,450
Depreciation and amortisation		
Tangible assets: owned	15,914	18,795
Directors' remuneration and benefits in kind	47,774	71,557
	<hr/>	<hr/>
and after crediting:		
Profit on disposal of tangible assets	935	-
	<hr/>	<hr/>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000	1999
	£	£
Bank Interest Receivable	2,319	2,878
	<hr/>	<hr/>
	£ 2,319	£ 2,878
	<hr/>	<hr/>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
On bank loans, overdrafts and other loans		
Repayable within five years, by instalments	1,016	1,190
	<hr/>	<hr/>
	£ 1,016	£ 1,190
	<hr/>	<hr/>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
Corporation tax at 21%	708	30,766
	<hr/>	<hr/>
	708	30,766
Adjustment of current taxation in respect of prior years	-	(1,278)
	<hr/>	<hr/>
	£ 708	£ 29,488
	<hr/>	<hr/>

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2000

6. TANGIBLE FIXED ASSETS

	Fixtures & Equipment £	Total £
Cost		
At 1 June 1999	99,729	99,729
Additions	17,590	17,590
Disposals	(19,850)	(19,850)
At 31 May 2000	<u>97,469</u>	<u>97,469</u>
Depreciation		
At 1 June 1999	72,889	72,889
Disposals	(13,285)	(13,285)
For the year	15,914	15,914
At 31 May 2000	<u>75,518</u>	<u>75,518</u>
Net Book Amounts		
At 31 May 2000	<u>£ 21,951</u>	<u>£ 21,951</u>
At 31 May 1999	<u>£ 26,840</u>	<u>£ 26,840</u>

7. DEBTORS

	2000 £	1999 £
Trade debtors	133,094	187,372
Other debtors	54,151	7,536
	<u>£ 187,245</u>	<u>£ 194,908</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Finance leases and hire purchase contracts	-	4,721
Trade creditors	4,876	7,333
Corporation tax	708	30,766
Other taxes and social security	15,772	28,902
Other creditors	863	-
Accruals and deferred income	90,054	127,104
	<u>£ 112,273</u>	<u>£ 198,826</u>

QUALITY SYSTEMS INTERNATIONAL (UK) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2000

9. CALLED UP SHARE CAPITAL	2000	1999
	£	£
Authorised:		
10000 Ordinary shares of £1 each	£ 10,000	£ 10,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
100 Ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>

10. RESERVES

	Profit & loss account £
At 1 June 1999	170,834
Profit for the year	2,910
	<u> </u>
At 31 May 2000	£ 173,744
	<u> </u>

11. LEASE COMMITMENTS

The company has entered into non-cancellable operating leases as follows

The minimum annual rentals under the leases are as follows:

	2000	1999
	£	£
Property:		
- within 2-5 years	15,000	9,804
	<u> </u>	<u> </u>
	£ 15,000	£ 9,804
	<u> </u>	<u> </u>
Plant and machinery:		
- within 2-5 years	13,778	-
	<u> </u>	<u> </u>
	£ 13,778	£ -
	<u> </u>	<u> </u>

12. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Quality Systems International Corporation incorporated in U.S.A.