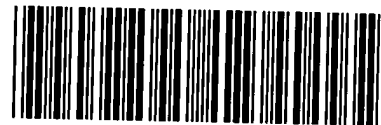


Sunquest Information Systems (Europe) Limited

Financial statements

31 December 2017

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Sunquest Information Systems (Europe) Limited

Financial statements

Year ended 31 December 2017

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Sunquest Information Systems (Europe) Limited

Officers and professional advisers

The board of directors

J P Conley
R C Crisci
J Stipancich

Company secretary

Squire Patton Boggs Secretarial Services Limited

Registered office

Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Sunquest Information Systems (Europe) Limited

Strategic report

Year ended 31 December 2017

Introduction

The directors present their strategic report for Sunquest Information Systems (Europe) Limited for the year ended 31 December 2017.

The principal activities of the company during the year continued to be that of developing, marketing, selling and servicing of communication and patient database software to hospitals.

Business review

Revenue has remained consistent with the prior year. Given the challenges in the healthcare IT market in the UK, the directors are satisfied with the results for the year. The financial condition of the company remains strong and there is no external debt.

The directors are confident of the company's future and the strength of the company's financial position.

In 2016, the company entered in to a long term contract for the provision of hosted laboratory services to a customer, which is a new area of opportunity for the company. In 2017, the company established the hosted environment and substantially completed workflow design of the lab environment. Systems testing and staff training commenced in 2018, and the customer achieved go-live in April 2018.

Key performance indicators

The key performance indicators are considered to be growth in turnover and profit. Turnover has remained at a consistent level to the prior year which is reflective of the challenging market. Profit before tax as a percentage of turnover has decreased from 52.6% to 48.8% for the year ended 31 December 2017.

Principal risks and uncertainties

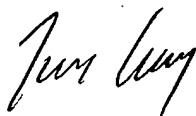
The principal risks and uncertainties of Sunquest Information Systems (Europe) Limited are integrated with the principal risks of the relevant global business units of Roper Technologies Inc. and are not managed separately. Accordingly, the principal risks and uncertainties of Roper Technologies Inc. are discussed in their 2017 Annual Report which is available from www.ropertech.com

Certain amounts due from trade debtors are subject to funding from the National Health Service (NHS). Management regularly reviews collection data and considers the likelihood of contingent funding by NHS in establishing sufficient allowances for doubtful accounts. Management believes

Financial risk management objectives and policies

In common with every other business, the company aims to minimise financial risk. The measures used by the company to manage this risk include the preparation of profit and cash flow forecasts and regular monitoring of actual performance against these forecasts. Debtors are closely monitored to keep the risk of bad debts to a minimum. Financial risk management is aided by utilising the services of the wider Roper Technologies Inc. group as necessary.

This report was approved by the board of directors on 28 September 2018 and signed on behalf of the board by:



J P Conley
Director

Registered office:
Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2J R

Sunquest Information Systems (Europe) Limited

Directors' report

Year ended 31 December 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

Directors

The directors of the company throughout the year were as follows:

J R Humphrey resigned on 17 April 2017
P J Soni resigned on 17 April 2017
J P Conley was appointed on 17 April 2017
R C Crisci was appointed on 17 April 2017

Qualifying third party indemnity provision

The company has put in place qualifying third party indemnity provisions for all directors of Sunquest Information Systems (Europe) Limited.

Auditors

All of the directors at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company auditor is unaware.

Dividends

The directors do not recommend the payment of a dividend (2016 - £Nil).

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 elected to prepare 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Sunquest Information Systems (Europe) Limited

Directors' report (*continued*)

Year ended 31 December 2017

The auditor Lovewell Blake have resigned and BDO were appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 28 September 2018 and signed on behalf of the board by:



J P Conley
Director

Registered office:
Squire Patton Boggs (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR

Sunquest Information Systems (Europe) Limited

Independent auditor's report to the members of Sunquest Information Systems (Europe) Limited

Year ended 31 December 2017

We have audited the financial statements of Sunquest Information Systems (Europe) Limited ("the Company") for the year ended 31 December 2017 which comprise the Statement of income and retained earnings, the Statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Sunquest Information Systems (Europe) Limited

Independent auditor's report to the members of Sunquest Information Systems (Europe) Limited (continued)

Year ended 31 December 2017

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Aswani (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London



BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Sunquest Information Systems (Europe) Limited

Statement of income and retained earnings

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	13,675,629	12,690,288
Cost of sales		(2,241,716)	(1,875,627)
Gross profit		11,433,913	10,814,661
Administrative expenses		(5,535,370)	(4,544,208)
Other operating income	5	6,000	4,675
Operating profit	6	5,904,543	6,275,128
Other interest receivable and similar income	8	777,426	400,522
Profit before taxation		6,681,969	6,675,650
Taxation on profit	9	324,568	1,060,313
Profit for the financial year and total comprehensive income		7,006,537	7,735,963
Retained earnings at the start of the year		20,446,540	12,710,577
Retained earnings at the end of the year		27,453,077	20,446,540

All the activities of the Company are from continuing operations.

The notes on pages 9 to 18 form part of these financial statements.


Sunquest Information Systems (Europe) Limited

Statement of financial position

31 December 2017

	Note	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	10	-		756,876	
Tangible assets	11	1,931,435		456,382	
		<u>1,931,435</u>		<u>1,213,258</u>	
Current assets					
Debtors due within one year	12	8,836,115		6,886,115	
Debtors due greater than one year		19,824,170		11,824,170	
Cash at bank and in hand		3,834,026		7,421,816	
		<u>32,494,311</u>		<u>26,132,101</u>	
Creditors: amounts falling due within one year	13	(6,801,773)		(6,718,126)	
Net current assets		<u>25,692,538</u>		<u>19,413,975</u>	
Total assets less current liabilities		<u>27,623,973</u>		<u>20,627,233</u>	
Creditors: amounts falling due after more than one year	14	(152,881)		(162,678)	
		<u>(152,881)</u>		<u>(162,678)</u>	
Net assets		<u>27,471,092</u>		<u>20,464,555</u>	
Capital and reserves					
Called up share capital	17	2,820		2,820	
Share premium account	18	15,155		15,155	
Capital redemption reserve	18	40		40	
Profit and loss account	18	27,453,077		20,446,540	
Members funds		<u>27,471,092</u>		<u>20,464,555</u>	

These financial statements were approved by the Board of Directors and authorised for issue on 28 September 2018.


J P Conley
Director

Company registration number: 03095468

The notes on pages 9 to 18 form part of these financial statements.

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year ended 31 December 2017

1. General information

Sunquest Information Systems (Europe) Limited is a company incorporated in England and Wales under the Companies Act and limited by shares. The address of the registered office is given on the contents page and the nature of the Company's operations and its principle activities are set out in the strategic report.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

3. Accounting policies

Basis of preparation

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

On the basis of their assessment of the company's financial position and resources, the directors believe that the Company is well placed to manage its business risks. Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Roper Technologies Inc. which can be obtained from the Roper Technologies Inc. website at www.ropertech.com. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the Company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No reconciliation of the number of shares outstanding at the beginning and end of the period has been performed.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.
- (e) No disclosure has been given in respect of share based payments.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

- Key accounting estimates and assumptions

The company makes estimates and assumptions regarding the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Amounts recoverable on contracts

The company makes an estimate of the amounts recoverable on contracts in relation to the software systems it builds. The value of the recoverable amount is considered by comparing the stage of completion of the contract, to the value of revenue already recognised in the income statement. The stage of completion is determined by the number of labour hours recorded to date against the estimate of the total labour hours required to complete the contract.

- Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Note 12 includes details of the net carrying amount of the debtors and associated impairment provision.

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

3. Accounting policies (*continued*)

Revenue recognition

Turnover represents the fair value of consideration received or receivable from clients for goods and services provided by the Company, net of discounts and sales taxes. Turnover is recognised as follows:

Hardware revenue - amounts recognised upon delivery.

Software and services revenue - amounts recognised on a percentage completion basis.

Support and maintenance revenue - recognised rateably over the contract period.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year ended 31 December 2017

3. Accounting policies (*continued*)

Defined contribution plans

The Company operates a defined contribution pension scheme for both directors and employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

Foreign currencies

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses'.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software	-	8 years straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

3. Accounting policies (*continued*)

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property improvements	-	term of lease
General equipment	-	25% straight line
Computer equipment	-	20% - 33% straight line

Assets in the course of construction are not depreciated until they are considered to be available for use by the Company.

Under FRS 102 section 27 an entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to determine the recoverable amount.

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest.

Such assets are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of income immediately.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a contract is entered into, and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss in finance costs or finance income as appropriate.

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year ended 31 December 2017 *(continued)*

4. Turnover

Analysis of turnover by class of business:

	2017 £	2016 £
Sale of goods	3,824,540	3,551,516
Rendering of services	9,838,735	9,123,274
Royalties	12,354	15,498
	<u>13,675,629</u>	<u>12,690,288</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	13,342,148	12,092,580
Overseas	333,481	597,708
	<u>13,675,629</u>	<u>12,690,288</u>

5. Other operating income

	2017 £	2016 £
Rental income	6,000	4,675
	<u>6,000</u>	<u>4,675</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2017 £	2016 £
Amortisation of intangible assets	97,662	24,415
Impairment of intangible assets	659,214	-
Depreciation of tangible assets	469,609	75,599
Impairment of trade debtors	(200,478)	231,242
Fees payable to the company's auditor:		
- Preparation of financial statements	1,750	-
- Audit of the company	25,670	6,750
Foreign exchange differences	9	(43,296)
Operating lease expense	139,706	138,070
	<u>1,033,830</u>	<u>438,710</u>

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year end 31 December 2017 (continued)

7. Staff costs

The average number of persons employed by the Company during the year, including the directors, amounted to:

	2017 No.	2016 No.
Administrative staff	44	52

In 2017, the Company transferred approximately 10 administrative staff to a related party to realise operational efficiencies. The Company continued to fund its proportionate level of cost for these administrative transfers through a cross-charge from the related party, and is included in the aggregate payroll costs below.

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017 £	2016 £
Wages and salaries	3,365,253	2,971,066
Social security costs	449,608	397,205
Other pension costs	78,876	61,919
	<u>3,893,737</u>	<u>3,430,190</u>

The Directors' remuneration was borne by a fellow subsidiary of Roper Technologies, Inc.

8. Other interest receivable and similar income

	2017 £	2016 £
Interest from group undertakings	777,426	400,522

9. Tax on profit

Major components of tax (income)/expense

	2017 £	2016 £
Current tax:		
UK current tax expense	-	-
Adjustments in respect of prior periods	(321,630)	(1,044,079)
Total current tax	<u>(321,630)</u>	<u>(1,044,079)</u>
Deferred tax:		
Origination and reversal of timing differences	(2,938)	(16,234)
Tax on profit	<u>(324,568)</u>	<u>(1,060,313)</u>

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

9. Tax on profit (continued)

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before taxation	6,681,969	6,675,650
Profit on ordinary activities by rate of tax	1,269,574	1,335,130
Adjustment to tax charge in respect of prior periods	(321,630)	(1,044,079)
Effect of expenses not deductible for tax purposes	633	2,692
Effect of capital allowances and depreciation	89,226	15,120
Capital items expensed in the profit and loss account	-	390
Temporary timing differences	(2,938)	(12,076)
Group relief claimed	(1,359,433)	(1,357,490)
Tax on profit	(324,568)	(1,060,313)

The adjustment to tax charge in respect of prior periods has arisen due to group losses being claimed with no charge from the surrendering parties for the use of these losses.

10. Intangible assets

	Software £
Cost	
At 1 January 2017	781,291
At 31 December 2017	781,291
Amortisation	
At 1 January 2017	24,415
Charge for the year	97,662
Impairment of intangible	659,214
At 31 December 2017	781,291
Carrying amount	
At 31 December 2017	-
At 31 December 2016	756,876

Amortisation of intangible assets is included within administrative expenses.

The amounts included in intangible assets relate to one individual asset, being an item of bed management software acquired during 2016.

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

11. Tangible assets

	Leasehold property improvement £	General equipment £	Computer equipment £	Assets in the course of construction £	Total £
Cost					
At 1 January 2017	223,692	57,640	449,486	46,445	777,263
Additions	-	-	124,212	1,820,450	1,944,662
Transfers			1,827,220	(1,827,220)	-
At 31 December 2017	223,692	57,640	2,400,918	39,675	2,721,925
Depreciation					
At 1 January 2017	33,100	46,191	241,590	-	320,881
Charge for the year	16,868	2,861	449,880	-	469,609
At 31 December 2017	49,968	49,052	691,470	-	790,490
Carrying amount					
At 31 December 2017	173,724	8,588	1,709,448	39,675	1,931,435
At 31 December 2016	190,592	11,449	207,896	46,445	456,382

Capital commitments

	2017 £	2016 £
Contracted for but not provided for in the financial statements	-	1,807,430

12. Debtors

	2017 £	2016 £
Trade debtors	2,697,769	2,696,658
Amounts owed by group undertakings	21,501,909	13,746,250
Amounts owed by customers on construction contracts	1,893,240	627,839
Deferred tax asset	49,236	46,298
Prepayments and accrued income	1,260,876	336,344
Corporation tax receivable	1,256,571	1,256,571
Other debtors	684	325
	28,660,285	18,710,285

Trade debtors are stated after provision for impairment of £118,789 (2016: £ 317,016). Of the amounts owed by group undertakings £19,824,170 are due in more than one year (2016: 11,824,170)

13. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	252,025	240,150
Amounts owed to group undertakings	721,200	104,631
Accruals and deferred income	5,694,409	6,182,503
Social security and other taxes	134,139	190,842
	6,801,773	6,718,126

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

14. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Deferred rent	152,881	162,678
	<u>152,881</u>	<u>162,678</u>

15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
As at 1 January	46,298	46,298
(Credited)/Charged to statement of comprehensive income	2,938	-
As at 31 December	<u>49,236</u>	<u>46,298</u>

The elements of deferred tax are as follows:

Accelerated capital allowances	49,236	46,298
	<u>49,236</u>	<u>46,298</u>

17. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary 'A' shares of £1 each	1,410	1,410	1,410	1,410
Ordinary 'B' shares of £1 each	434	434	434	434
Ordinary 'C' shares of £1 each	381	381	381	381
Ordinary 'D' shares of £1 each	140	140	140	140
Ordinary 'E' shares of £1 each	70	70	70	70
Ordinary 'F' shares of £1 each	70	70	70	70
Ordinary 'G' shares of £1 each	14	14	14	14
Ordinary 'H' shares of £1 each	14	14	14	14
Ordinary 'I' shares of £1 each	14	14	14	14
Ordinary 'L' shares of £1 each	10	10	10	10
Ordinary 'M' shares of £1 each	140	140	140	140
Ordinary 'N' Shares of £1 each	123	123	123	123
	<u>2,820</u>	<u>2,820</u>	<u>2,820</u>	<u>2,820</u>

Sunquest Information Systems (Europe) Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

18. Reserves

Called up share capital - This represents the nominal value of shares that have been issued.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

19. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	117,546	117,546
Later than 1 year and not later than 5 years	134,936	252,482
	<u>252,482</u>	<u>370,028</u>

The company operating lease commitments are for offices for the purposes of administration.

20. Related party transactions

The Company has taken advantage of the exemption provided in FRS 102 from the requirement to disclose transactions with fellow wholly owned companies within the Roper Technologies Inc. group, on the basis that its results are consolidated in the financial statements of the ultimate parent undertaking, which are publicly available.

21. Controlling party

The immediate parent undertaking and controlling party is Sunquest Europe Limited, a company incorporated in England & Wales.

The ultimate parent undertaking and controlling party is Roper Technologies Inc., a company incorporated in the United States of America. Roper Technologies Inc. is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2017. The consolidated financial statements of Roper Technologies Inc. can be obtained from the Roper Technologies Inc. website at www.ropertech.com.