

AGILISYS MANAGED SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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AGILISYS MANAGED SERVICES LIMITED

CONTENTS

CONTENTS	PAGE
Officers and professional advisers	1
Strategic Report	2
Directors' Report	3-4
Independent auditors' report to the members of Agilisys Managed Services Ltd	5-6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9-17

AGILISYS MANAGED SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS FOR THE YEAR ENDED 31 MARCH 2014

The board of directors

C S Mindenhall

K T Andrews

S M Beard

Registered office

Floor 2
26-28 Hammersmith Grove
London
W6 7AW

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

AGILISYS MANAGED SERVICES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of information technology services for and on behalf of its customers in the private sector.

PRINCIPAL BUSINESS RISKS

The principal risks relate to IT managed services contracts where service level agreements are committed to and where there is a financial risk if these services are not met. The company has a robust review and escalation process to ensure that it continually operates within these agreed service levels and should there be a breach remedial action is taken before any business risk occurs to either the company or customers.

KEY PERFORMANCE INDICATORS (KPI's)

The Directors track various financial and operational KPIs. Financial KPIs tracked are turnover and gross margins across business units and overall overhead costs. Comparison is made of month to month trends and against budget. The operational KPIs tracked are key service levels for system and application availability times and service desk response times. For our contact centre business we track service levels against productive agent hours.

Below further details and analysis using key performance indicators (KPI's):

	2014	2013	Definition and analysis
Movement in Turnover (%)	(23%)	41%	Turnover % decreased as revenue in Cloud services fell in 2014.
Gross Margin (%)	(16%)	3%	Gross Margin is the ratio of Gross Profit expressed as a percentage of Turnover. The company had a decline in Gross Margin % as a result of higher direct IT costs for Cloud services.
Operating Profit Margin (%)	(22%)	(2%)	Operating Profit margin is the ratio of Operating Profit expressed as a percentage of Turnover. Operating Profit Margin down due to reduction in services and higher IT costs in 2014.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the accompanying financial statements. The company made a Loss for the financial year of £1,052,000 in the year (2013: loss of £133,000).

The company did not pay a dividend during the year (2013: £2,500,000).

FINANCIAL RISK MANAGEMENT

The risks of foreign exchange, credit, interest, cash flow and pricing and their potential impact upon the business are controlled by group management on a group basis. Further details of the Group's financial risk management policy can be found in the financial statements of the intermediate parent company, Agilisys Holdings Limited.

COMPANY REGISTRATION NUMBER: 04298949

AGILISYS MANAGED SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the audited financial statements of the company for the year ended 31 March 2014.

DIRECTORS

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

C S Mindenhall
K T Andrews
S M Beard

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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, 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 418 of the Companies Act 2006, directors' reports includes a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

COMPANY REGISTRATION NUMBER: 04298949

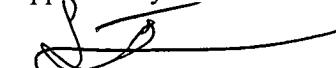
AGILISYS MANAGED SERVICES LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2014

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of directors on 9 September 2014 and signed on its behalf by



S M Beard
Director

AGILISYS MANAGED SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGILISYS MANAGED SERVICES LIMITED

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Agilisys Managed Services Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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). In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AGILISYS MANAGED SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGILISYS MANAGED SERVICES LIMITED *(continued)*

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration - Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors - As explained more fully in the statement of the directors' responsibilities, 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 and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, 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.



Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 September 2014

AGILISYS MANAGED SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

		2014	2013
	Note	£'000	£'000
TURNOVER	2	6,026	7,789
Cost of sales		(6,965)	(7,521)
GROSS PROFIT		(939)	268
Administrative expenses		(409)	(429)
OPERATING LOSS	3	(1,348)	(161)
Interest payable and similar charges	6	(1)	(5)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,349)	(166)
Tax on loss on ordinary activities	7	297	33
LOSS FOR THE FINANCIAL YEAR	14	(1,052)	(133)

The profit and loss account for the year stated above have been prepared on the basis that all activities are continuing.

The company has no recognised gains or losses other than the losses for the financial years as set out above and therefore no statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

AGILISYS MANAGED SERVICES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2014

		2014		2013	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8	<u>433</u>	<u>433</u>	<u>349</u>	<u>349</u>
CURRENT ASSETS					
Debtors	9	1,218		1,562	
Cash at bank and in hand		<u>2,128</u>		<u>2,256</u>	
		<u>3,346</u>		<u>3,818</u>	
CREDITORS: amounts falling due within one year	11	<u>(3,044)</u>		<u>(2,380)</u>	
NET CURRENT ASSETS		302		1,438	
TOTAL ASSETS LESS CURRENT LIABILITIES		735		1,787	
CREDITORS: amounts falling due after more than one year	12	<u>(1,350)</u>		<u>(1,350)</u>	
NET (LIABILITIES)/ASSETS		(615)		437	
CAPITAL AND RESERVES					
Called up share capital	13	-		-	
Other reserves	14	123		123	
Profit and loss account	14	<u>(738)</u>		<u>314</u>	
TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS	15	(615)		437	

The notes on pages 9 to 17 form part of these financial statements.

These financial statements were approved by the directors on the 9 September 2014 and are signed on their behalf by:



S M Beard
Director

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

Basis of accounting

These 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 applied consistently unless otherwise stated throughout the year and prior year are set out below.

The directors have taken advantage of the exemption in Financial Reporting Standard Number 1 (Revised 1996) "Cash flow Statements" from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Agilisys Holdings Limited whose financial statements are publicly available.

The financial statements contain information about Agilisys Managed Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its intermediate parent, Agilisys Holdings Limited, a company incorporated in England and Wales.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The carrying values of tangible fixed assets are reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable. Any permanent impairment of fixed assets is charged to the profit and loss account in the year it arises.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Computer Equipment - 33.3% - 50% p.a.

Finance and operating leases

When assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The assets are capitalised and included in tangible fixed assets at fair value. The assets are depreciated over the shorter of the lease term or its useful economic life. The corresponding lease commitments are shown as obligations to the lessor. Depreciation and interest are charged to the profit and loss account. All other leases are operating leases and the total base costs are charged to the profit and loss account on a straight-line basis over the lease term.

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in future, or a right to pay less tax in future, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted on the basis of all the evidence available.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Turnover

Revenue is measured at the fair value of the fees received or receivable and represents amounts receivable for services provided to third parties in the normal course of business, net of discounts, Value Added Tax and other sales related taxes. Revenue from consultancy services, installation and other services is recognised when services have been provided and the right to consideration has been earned. It excludes expenses recharged to clients at nil margin which are accounted for as a contribution to cost of sales. Revenue from maintenance, support and other periodically contracted services or products is recognised on a percentage of completion based on delivery over the contracted period. Asset refresh recognises revenue when the assets are delivered. Revenue for long term repetitive service contracts is recognised evenly over the life of the contract where the services delivered do not change year on year, where the value of services alters in the contract the revenue recognised is adjusted accordingly. The related costs are recognised in the period in which they are incurred. Amounts invoiced but not recognised are accounted for within deferred income. Profits on fixed price contracts are taken in proportion to the work performed on each contract relative to the estimated total completion of the contract.

Provision is made for all anticipated contract losses as soon as they are identified. Profits on time and material contracts are recognised in line with the effort expended.

Where the company enters into contracts with multiple elements, where elements are separable, the revenue is allocated to each element based on the relative fair values. Where the amounts are not separable or the fair values are not available the revenues are recognised evenly over the period that the services are provided.

The gross amount due from customers for contract work is included within trade and other receivables and the gross amount due to suppliers is included with trade and other payables.

Pension scheme arrangements

Payments to defined contribution pension schemes during the period are charged to the profit and loss account in the year to which they relate. Further details of pension arrangements are given in note 4.

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (*continued*)

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at operating profit.

2. TURNOVER

Turnover is attributable to the principal activity of the company and in the opinion of the directors is generated from a single class of business. All turnover is generated in the UK.

3. OPERATING LOSS

Operating loss is stated after charging:

	2014	2013
	£'000	£'000
Depreciation of owned fixed assets	168	61
Operating lease costs:		
Plant & Machinery	-	231

The audit fee for these companies is borne by Agilisys Professional Services Limited, with £5,150 being allocated to the audit of Agilisys Managed Services Limited (2013: £5,150). No (2013: nil) other services were provided for this company by the company's auditors.

4. PARTICULARS OF EMPLOYEES

The average monthly number of staff (including directors) employed by the company during the financial year amounted to:

	2014	2013
	Number	Number

Management, technical and administrative	<u>113</u>	<u>122</u>
------------------------------------------	------------	------------

The aggregate gross payroll costs of the above were:

	2014	2013
	£'000	£'000
Wages and salaries	1,916	1,123
Social security costs	386	376
Other pension costs	124	181
	<u>2,426</u>	<u>1,680</u>

Employee costs are partly recharged to other group companies as part of a composite management fee but it is not possible to ascertain separately the element of the charge that relates to staff costs. Total staff costs disclosed above are the gross amounts payable to employees of the company before recharges.

AGILISYS MANAGED SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR 31 MARCH 2014

4. PARTICULARS OF EMPLOYEES (continued)

Defined contribution scheme

The company operates a defined contribution pension scheme in which all new employees are invited to participate. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge to the profit and loss account in the year was £123,817 (2013: £180,600). The unpaid contributions outstanding at the year end, included in other creditors and accruals are £22,761 (2013: £17,916).

5. DIRECTORS' EMOLUMENTS

The directors received no emoluments in respect of their services during the current or prior year. The directors received emoluments from other group undertakings, and these are disclosed in the financial statements of Agilisys Professional Services Limited. The directors do not consider that any material amount of their emoluments relate to their duties in respect of the company.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£'000	£'000
Interest payable on bank borrowing	-	4
Preference share dividend	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>5</u></u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of credit in the year

	2014	2013
	£'000	£'000
Current Tax:		
In respect of the year:		
UK Corporation tax based on the loss for the year at 23% (2013: 24%)	<u>(324)</u>	<u>(85)</u>
Total current tax	<u><u>(324)</u></u>	<u><u>(85)</u></u>
Deferred tax:		
Effects of rate change from 24% to 23%	14	7
Origination and reversal of timing differences	<u>13</u>	<u>45</u>
Total deferred tax (note 10)	<u><u>27</u></u>	<u><u>52</u></u>
Tax credit on loss on ordinary activities	<u><u>(297)</u></u>	<u><u>(33)</u></u>

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR 31 MARCH 2014

7. TAX ON LOSS ON ORDINARY ACTIVITIES (*continued*)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower (2013: lower) than the standard rate of corporation tax in the UK 23% (2013: 24%).

	2014 £'000	2013 £'000
Loss on ordinary activities before taxation	<u>(1,349)</u>	<u>(166)</u>
Loss on ordinary activities multiplied by standard rate of tax in the UK 23% (2013: 24%)	(310)	(40)
Expenses not deductible for tax purposes	-	1
Timing Differences	<u>(14)</u>	<u>(46)</u>
Total current tax credit for the year (note 7(a))	<u>(324)</u>	<u>(85)</u>

A number of further changes to the UK Corporation tax system were announced in the March 2013 UK Budget Statement. A resolution passed by Parliament reduced the main rate of corporation tax to 23% from 1 April 2013. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 is also expected. A further reduction to the main rate is also proposed to reduce the rate to 20% from 1 April 2015. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

8. TANGIBLE FIXED ASSETS

	Computer Equipment £'000
COST	
At 1 April 2013	3,926
Additions	252
At 31 March 2014	<u>4,178</u>
ACCUMULATED DEPRECIATION	
At 1 April 2013	3,577
Charge for the financial year	168
At 31 March 2014	<u>3,745</u>
NET BOOK AMOUNT	
At 31 March 2014	<u>433</u>
At 31 March 2013	349

AGILISYS MANAGED SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR 31 MARCH 2014

9. DEBTORS

	2014 £'000	2013 £'000
Trade debtors	636	908
Amounts owed by subsidiary undertakings	162	-
Corporation tax	23	23
Deferred taxation (note 10)	134	161
Prepayments and accrued income	97	347
Other Debtors	<u>166</u>	<u>123</u>
	<u><u>1,218</u></u>	<u><u>1,562</u></u>

Amounts owed by parent and subsidiaries undertakings are unsecured, interest free and repayable on demand.

10. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2014 £'000	2013 £'000
Included in debtors (note 9)	<u>134</u>	<u>161</u>

The movement in the deferred taxation account during the year was:

	2014 £'000	2013 £'000
Balance brought forward 1 April	161	213
Profit and loss account movement arising during the year	<u>(27)</u>	<u>(52)</u>
Balance carried forward 31 March	<u>134</u>	<u>161</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2014 £'000	2013 £'000
Accelerated capital allowances	129	156
Losses available for future use	<u>5</u>	<u>5</u>
	<u><u>134</u></u>	<u><u>161</u></u>

Based on current capital investment plan the company expects to be able to claim capital allowances in excess of depreciation in future years.

AGILISYS MANAGED SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR 31 MARCH 2014

11. CREDITORS: Amounts falling due within one year

	2014	2013
	£'000	£'000
Trade creditors	71	74
Amounts owed to parent undertakings	2,374	1,326
Amounts owed to subsidiary undertakings	10	-
Other creditors	22	8
Taxation and social security	121	310
Accruals and deferred income	446	662
	<u>3,044</u>	<u>2,380</u>

The amounts owed to parent undertakings are unsecured, interest free and are repayable on demand.

12. CREDITORS: Amounts falling due after more than one year

	2014	2013
	£'000	£'000
Shares classed as financial liabilities (see note 13)	1,350	1,350
	<u>1,350</u>	<u>1,350</u>

13. CALLED UP SHARE CAPITAL

Authorised share capital:

	2014	2013
	£'000	£'000
1,000 (2013: 1,000) Ordinary shares of £1 each	1	1
1,350,000 (2013: 1,350,000) 0.1% Convertible		
Redeemable Preference shares of £1 each	1,350	1,350
13,500 (2013: 13,500) Deferred shares of £1 each	14	14
	<u>1,365</u>	<u>1,365</u>

Allotted and fully paid:

	2014			2013
	Number	£'000	Number	£'000
Ordinary shares of £1 each	100	-	100	-
0.1% Convertible Redeemable				
Preference shares of £1 each	<u>1,350,000</u>	<u>1,350</u>	<u>1,350,000</u>	<u>1,350</u>
	<u>1,350,100</u>	<u>1,350</u>	<u>1,350,100</u>	<u>1,350</u>

Shares classed as financial liabilities

0.1% Convertible Redeemable	1,350,000	1,350	1,350,000	1,350
Preference shares of £1 each	<u>1,350,000</u>	<u>1,350</u>	<u>1,350,000</u>	<u>1,350</u>

AGILISYS MANAGED SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR 31 MARCH 2014

13. CALLED UP SHARE CAPITAL (continued)

The 1,350,000 0.1% Convertible redeemable preference shares of £1 each are redeemable in the future years based on the future profit of the company. The shares are classed as a long term liability as they are convertible into deferred shares upon the achievement of certain circumstances. The preference shares do not hold voting rights and carry a right to a fixed dividend of 0.1% p.a. The deferred shares do not hold voting rights and carry a right to a fixed dividend of 0.1% p.a.

14. RESERVES

	Other reserves £'000	Profit and loss account £'000
Balance brought forward 1 April 2013	123	314
Loss for the Financial year	<u>-</u>	<u>(1,052)</u>
Balance carried forward 31 March 2014	<u>123</u>	<u>(738)</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT)/FUNDS

	2014 £'000	2013 £'000
Loss for the financial year	(1,052)	(133)
Dividend paid	<u>-</u>	<u>(2,500)</u>
Opening equity shareholders funds	<u>437</u>	<u>3,070</u>
Closing equity shareholders (deficit)/funds	<u>(615)</u>	<u>437</u>

16. DIVIDEND PAID

There was no dividend paid during the year (2013: £2,500,000).

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR 31 MARCH 2014

17. IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate parent company is Agilisys Limited. The ultimate parent company and controlling party is Agilisys Group Limited, a company incorporated and registered in Guernsey.

The smallest Group to consolidate the financial statements of the company is headed by Agilisys Holdings Limited, a company incorporated in England and Wales. The largest Group to consolidate the financial statements of the company is headed by Agilisys Group Limited. The consolidated financial statements for these entities are available from:

Floor 2
26-28 Hammersmith Grove
London
W6 7AW

18. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events.