

**AGILISYS MANAGED SERVICES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**AGILISYS MANAGED SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2013**

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**AGILISYS MANAGED SERVICES LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2013**

<b>The board of directors</b>	C S Mindenhall K T Andrews S M Beard
<b>Registered office</b>	Floor 2 26-28 Hammersmith Grove London W6 7AW
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP

COMPANY REGISTRATION NUMBER: 04298949

**AGILISYS MANAGED SERVICES LIMITED****DIRECTORS' REPORT****FOR THE YEAR ENDED 31 MARCH 2013**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2013

**PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

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

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 budgets. 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)

	2013	2012	Definition and analysis
Movement in Turnover (%)	41%	10%	Turnover % increased as managed services had much higher revenues across IT Services and Projects in 2013 relative to 2012. New IT Services and Projects in Private clients contributed an increase of approximately £2m of revenue.
Gross Margin (%)	3%	3%	Gross Margin is the ratio of Gross Profit expressed as a percentage of Turnover.
Operating Profit Margin (%)	(2%)	1%	The company had a consistent Gross Margin % with PY as direct costs rose in line with turnover. Operating profit margin is the ratio of Operating Profit expressed as a percentage of Turnovers.
			Operating Profit Margin down due to higher overheads in 2013 relative to 2012.

**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 attached financial statements. The company made a Loss after taxation of £132,508 in the year (2012 profit of £29,677)

The company paid a dividend of £2,500,000 during the year (2012 £Nil)

**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 *(continued)***

**FOR THE YEAR ENDED 31 MARCH 2013**

**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

A Saffer (Appointed 28<sup>th</sup> May 2013, Resigned 14<sup>th</sup> June 2013)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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

(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 17 October 2013 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**

We have audited the financial statements of Agilisys Managed Services Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities on page 3 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 International Standards on Auditing (UK and 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.

#### **Scope of the audit of the financial statements**

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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in 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*)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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



Alison Lees (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
18 October 2013

**AGILISYS MANAGED SERVICES LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2013**

		<b>2013</b>	<b>2012</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>TURNOVER</b>	<b>2</b>	<b>7,789</b>	<b>5,525</b>
Cost of sales		<u><b>(7,521)</b></u>	<u><b>(5,386)</b></u>
<b>GROSS PROFIT</b>		<b>268</b>	<b>139</b>
Administrative expenses		<u><b>(429)</b></u>	<u><b>(69)</b></u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	<u><b>(161)</b></u>	<u><b>70</b></u>
Interest payable and similar charges	<b>6</b>	<u><b>(5)</b></u>	<u><b>(1)</b></u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(166)</b>	<b>69</b>
Tax on (loss)/profit on ordinary activities	<b>7</b>	<u><b>33</b></u>	<u><b>(39)</b></u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	<b>16</b>	<u><u><b>(133)</b></u></u>	<u><u><b>30</b></u></u>

The profit and loss accounts for the years stated above have been prepared on the basis that all activities are continuing

The company has no recognised gains or losses other than the results 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)/profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical cost equivalents

# AGILISYS MANAGED SERVICES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2013

		2013		2012	
	Note	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	8		<u>349</u>		<u>121</u>
			349		121
<b>CURRENT ASSETS</b>					
Debtors	9	1,562		5,006	
Cash at bank and in hand		<u>2,256</u>		<u>-</u>	
		3,818		5,006	
CREDITORS amounts falling due within one year	11	<u>(2,380)</u>		<u>(707)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,438</u>		<u>4,299</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,787</u>		<u>4,420</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12		<u>(1,350)</u>		<u>(1,350)</u>
<b>NET ASSETS</b>			<u>437</u>		<u>3,070</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		-		-
Other reserves	15		123		123
Profit and loss account	15		<u>314</u>		<u>2,947</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	16		<u>437</u>		<u>3,070</u>

The notes on pages 8 to 15 form part of these financial statements

These financial statements were approved by the directors on the 17 October 2013 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 2013

#### 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.

##### **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.

##### **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.

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS *(continued)***  
**FOR THE YEAR ENDED 31 MARCH 2013**

**1. ACCOUNTING POLICIES *(continued)***

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.

**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.

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR 31 MARCH 2013**

**3. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging

	<b>2013</b>	2012
	<b>£'000</b>	£'000
Depreciation of owned fixed assets	<b>61</b>	63
Operating lease costs		
Plant & Machinery	<u><b>231</b></u>	<u>228</u>

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 (2012 £5,000) No 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

	<b>2013</b>	2012
	<b>Number</b>	Number
Management, technical and administrative	<u><b>122</b></u>	<u>138</u>

The aggregate gross payroll costs of the above were

	<b>2013</b>	2012
	<b>£'000</b>	£'000
Wages and salaries	<b>4,623</b>	<b>4,144</b>
Social security costs	<b>376</b>	<b>390</b>
Other pension costs	<u><b>181</b></u>	<u><b>189</b></u>
	<u><b>5,180</b></u>	<u><b>4,723</b></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

**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 £180,600 (2012 £189,000) The unpaid contributions outstanding at the year end, included in other creditors and accruals are £17,916 (2012 £41,000)

**5. DIRECTORS EMOLUMENTS**

The directors received no emoluments in respect of their service 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

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR 31 MARCH 2013**

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2013 £'000	2012 £'000
Interest payable on bank borrowing	4	-
Preference share dividend	<u>1</u>	<u>1</u>
	<u>5</u>	<u>1</u>

**7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of credit in the year**

	2013 £'000	2012 £'000
Current Tax		
In respect of the year		
UK Corporation tax based on the (loss)/profit for the year at 24% (2012 26%)	<u>(85)</u>	<u>(23)</u>
Total current tax	<u>(85)</u>	<u>(23)</u>
Deferred tax		
Effects of rate change from 26% to 24%	7	18
Origination and reversal of timing differences	45	41
Adjustment in respect of previous years	<u>-</u>	<u>3</u>
Total deferred tax (note 10)	<u>52</u>	<u>62</u>
Tax (credit)/charge on (loss)/profit on ordinary activities	<u>(33)</u>	<u>39</u>

**(b) Factors affecting current tax charge**

The tax assessed on the (loss)/ profit on ordinary activities for the year is lower (2012 lower) than the standard rate of corporation tax in the UK 24% (2012 26%)

	2013 £'000	2012 £'000
(Loss)/Profit on ordinary activities before taxation	<u>(166)</u>	<u>69</u>
(Loss)/Profit on ordinary activities multiplied by standard rate of tax in the UK 24% (2012 26%)	(40)	18
Expenses not deductible for tax purposes	1	-
Timing Differences	<u>(46)</u>	<u>(41)</u>
Total current tax credit for the year (note 7(a))	<u>(85)</u>	<u>(23)</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.

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR 31 MARCH 2013**

**8. TANGIBLE FIXED ASSETS**

	<b>Computer Equipment £'000</b>
<b>COST</b>	
At 1 April 2012	3,642
Additions	290
Disposals	(6)
<b>At 31 March 2013</b>	<b><u>3,926</u></b>
<b>ACCUMULATED DEPRECIATION</b>	
At 1 April 2012	3,521
Charge for the financial year	61
Disposals	(5)
<b>At 31 March 2013</b>	<b><u>3,577</u></b>
<b>NET BOOK AMOUNT</b>	
<b>At 31 March 2013</b>	<b><u>349</u></b>
At 31 March 2012	<u>121</u>

**9. DEBTORS**

	<b>2013 £'000</b>	<b>2012 £'000</b>
Trade debtors	<b>908</b>	334
Amounts owed by parent undertakings	-	2,323
Amounts owed by subsidiaries undertakings	-	1,751
Corporation tax	<b>23</b>	23
Deferred taxation (note 10)	<b>161</b>	213
Prepayments and accrued income	<b>470</b>	362
	<b><u>1,562</u></b>	<u>5,006</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

	<b>2013 £'000</b>	<b>2012 £'000</b>
Included in debtors (note 9)	<b><u>161</u></b>	<u>213</u>

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR 31 MARCH 2013**

**10. DEFERRED TAXATION (continued)**

The movement in the deferred taxation account during the year was

	2013 £'000	2012 £'000
Balance brought forward 1 April	213	275
Profit and loss account movement arising during the year	<u>(52)</u>	<u>(62)</u>
Balance carried forward 31 March	<u>161</u>	<u>213</u>

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

	2013 £'000	2012 £'000
Accelerated capital allowances	156	203
Losses available for future use	<u>5</u>	<u>10</u>
	<u>161</u>	<u>213</u>

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

**11. CREDITORS: Amounts falling due within one year**

	2013 £'000	2012 £'000
Bank loans and overdrafts	-	351
Trade creditors	74	11
Amounts owed to parent undertakings	1,326	-
Other creditors	8	42
Taxation and social security	310	133
Accruals and deferred income	<u>662</u>	<u>170</u>
	<u>2,380</u>	<u>707</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**

	2013 £'000	2012 £'000
Shares classed as financial liabilities (see note 14)	<u>1,350</u>	<u>1,350</u>
	<u>1,350</u>	<u>1,350</u>

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR 31 MARCH 2013**

**13. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below

	<b>2013</b>	2012
	<b>Other</b>	Other
	<b>£'000</b>	£'000
Operating leases other than land and buildings which expire		
Within 1 year	<u>-</u>	<u>46</u>

**14. CALLED UP SHARE CAPITAL****Authorised share capital:**

	<b>2013</b>	2012
	<b>£'000</b>	£'000
1 000 (2012 1,000) Ordinary shares of £1 each	<b>1</b>	1
1,350,000 (2012 1,350,000) 0 1% Convertible Redeemable Preference shares of £1 each	<b>1,350</b>	1 350
13,500 (2012 13,500) Deferred shares of £1 each	<b>14</b>	14
	<u><b>1,365</b></u>	<u>1,365</u>

**Allotted and fully paid:**

	2013		2012	
	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 Preference shares of £1 each	<u><b>1,350,000</b></u>	<u><b>1,350</b></u>	<u>1,350,000</u>	<u>1,350</u>
--	-------------------------	---------------------	------------------	--------------

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.

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS *(continued)***  
**FOR THE YEAR 31 MARCH 2013**

**15. RESERVES**

	<b>Capital redemption reserve £'000</b>	<b>Profit and loss account £'000</b>
Balance brought forward 1 April 2012	123	2,947
Loss for the Financial year	-	(133)
Dividend paid	-	(2,500)
<b>Balance carried forward 31 March 2013</b>	<b><u>123</u></b>	<b><u>314</u></b>

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	<b>2013 £'000</b>	<b>2012 £'000</b>
(Loss)/Profit for the financial year	(133)	30
Dividend paid	(2,500)	-
Opening equity shareholders funds	<u>3,070</u>	<u>3,040</u>
Closing equity shareholders funds	<u><b>437</b></u>	<u><b>3,070</b></u>

**17. DIVIDEND PAID**

During the year a dividend of £25,000 per share was paid on 100 ordinary shares. The dividend of £2,500,000 (2012: £Nil) was paid to Agilisys Ltd.

**18. 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

**19. POST BALANCE SHEET EVENTS**

There have been no material post balance sheet events.