
AGILISYS MANAGED SERVICES LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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AGILISYS MANAGED SERVICES LIMITED

COMPANY INFORMATION

Directors Andrew Mindenhall
Gabriel Pirona (resigned 25 March 2022)
Thomas Drury (resigned 31 March 2022)
Mark Gordon (appointed 10 May 2022)

Registered number 04298949

Registered office Scale Space
2nd Floor
Imperial College White City Campus
58 Wood Lane
London
W12 7RZ

Bankers Barclays Bank PLC
1 Churchill Place
London
E14 5HP

AGILISYS MANAGED SERVICES LIMITED

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AGILISYS MANAGED SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their report and the financial statements for the year ended 31 March 2022.

Results and dividends

The profit for the year, after taxation, amounted to £NIL (2021 - £301,000).

The Company did not pay a dividend during the year (2021: £NIL).

The net assets of the Company at the reporting date was £270,000 (2021: £270,000).

Directors

The Directors who served during the year were:

Andrew Mindenhall
Thomas Drury (resigned 31 March 2022)
Gabriel Pirona (resigned 25 March 2022)
Mark Gordon (appointed 10 May 2022)

Future developments

The directors are planning to wind the Company up during the year to 31 March 2023. From 1st April 2021, the Company's contractual commitments have been delivered by its fellow Group company, Agilisys Limited.

Going concern

The directors believe that preparing the financial statements on the going concern basis under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, is appropriate due to the continued financial support of the parent company Agilisys Group Holdings Limited ("Group"). The directors have received confirmation that Agilisys Group Holdings Limited intends to support the Company for at least one year from the date these financial statements have been signed.

Post balance sheet events

Since the reporting date on 31 March 2022, there have been no events of special significance which may have a material effect on the financial position and performance of the Company.

Directors' indemnities provision

As permitted by the Articles of Association the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

AGILISYS MANAGED SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

This report was approved by the board on 9 March 2023 and signed on its behalf.



Andrew Mindenhall
Director

AGILISYS MANAGED SERVICES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

AGILISYS MANAGED SERVICES LIMITED

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £000
Turnover		-	1,072
Cost of sales		-	(279)
Gross profit		-	793
Administrative income / (expenses)		-	(421)
Operating profit	4	-	372
Tax on profit	6	-	(71)
Profit for the financial year		-	301

There were no recognised gains and losses for 2022 or 2021 other than those included in the income statement and statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 7 to 15 form part of these financial statements.

AGILISYS MANAGED SERVICES LIMITED
REGISTERED NUMBER: 04298949

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Current assets			
Debtors	7	1,619	1,617
Cash at bank and in hand	8	1	3
		<u>1,620</u>	<u>1,620</u>
Total assets less current liabilities		1,620	1,620
Creditors: amounts falling due after more than one year	9	(1,350)	(1,350)
Net assets		<u>270</u>	<u>270</u>
Capital and reserves			
Other reserves	12	123	123
Accumulated profits	12	147	147
		<u>270</u>	<u>270</u>

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 March 2023.


Andrew Mindenhall
 Director

The notes on pages 7 to 15 form part of these financial statements.

AGILISYS MANAGED SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £000	Other reserves £000	Accumulate d (losses)/pr ofits £000	Total equity £000
At 1 April 2020	-	123	(154)	(31)
Comprehensive expense for the year				
Profit for the financial year	-	-	301	301
Total comprehensive loss for the year	-	-	301	301
As at 31 March 2021	-	-	-	-
At 1 April 2021	-	123	147	270
Total comprehensive income for the year	-	-	-	-
At 31 March 2022	-	123	147	270

The notes on pages 7 to 15 form part of these financial statements.

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, (FRS 102) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

1.2 Going concern

The directors believe that preparing the financial statements on the going concern basis under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, is appropriate due to the continued financial support of the parent company Agilisys Group Holdings Limited ("Group"). The directors have received confirmation that Agilisys Group Holdings Limited intends to support the Company for at least one year from the date these financial statements have been signed.

1.3 Revenue recognition

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 basis 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.

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.4 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position, except that:

- 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
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

Current or deferred taxation assets and liabilities are not discounted.

1.5 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.5 Tangible assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 33.3% - 50% p.a.
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 Cash at bank and in hand

Cash and cash equivalents is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Long term creditors relate to shares which are classed as a long term liability as they are convertible into deferred shares upon the achievement of certain circumstances.

1.9 Provisions for liabilities

Provisions are recognised where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, 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.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statements of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

AGILISYS MANAGED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Digital transformation	-	1,072
	<u>-</u>	<u>1,072</u>

All turnover arose in the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Amortisation of intangible assets, including goodwill	-	4
	<u>-</u>	<u>4</u>

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £Nil).

6. Tax on profit

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	-	60
Total current tax	<u>-</u>	<u>60</u>
Deferred tax		
Timing differences due to capital allowances	-	11
Total deferred tax	<u>-</u>	<u>11</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>71</u>

AGILISYS MANAGED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	-	372
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	-	71
Effects of:		
Total tax charge for the year	-	71

Factors that may affect future tax charges

The tax rate for the current year is the same as the prior year at 19%. The Government has announced an intention to raise the rate of Corporation Tax to 25% from April 2023 but this has not yet been put into legislation. All deferred tax balances in these financial statements are measured at 19% being the enacted tax rate at the year end and for the coming year.

7. Debtors

	2022 £000	2021 £000
Amounts owed by group undertakings	1,619	1,565
Deferred taxation	-	52
	1,619	1,617

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayments and are repayable on demand.

AGILISYS MANAGED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Cash at bank and in hand

	2022 £000	2021 £000
Cash at bank and in hand	1	3
	1	3

9. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Shares classified as financial liabilities	1,350	1,350
	1,350	1,350

Disclosure of the terms and conditions attached to the non-equity shares is made in note 11.

10. Deferred taxation

	2022 £000	2021 £000
At beginning of year	52	63
Charged to profit or loss	-	(11)
Transferred to other group companies	(52)	-
At end of year	-	52

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	-	52
	-	52

AGILISYS MANAGED SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Called up share capital

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.

	2022 £000	2021 £000
Shares classified as debt		
Allotted, called up and fully paid		
1,350,000 (2021 - 1,350,000) Convertible Redeemable Preference shares of £1.00 each	<u>1,350</u>	<u>1,350</u>

12. Reserves

Other reserves

Other reserves are in respect of a capital contribution made by shareholders in the year ended 31 March 2004.

Profit and loss account

The balance held on this reserve is the accumulated retained profits of the Company.

13. Related party transactions

The Company does not disclose transactions with members of the same group that are wholly owned, as they are exempt and disclosed within the consolidated group financial statements.

14. Events after the reporting period

After the reporting period on 31 March 2022, there were no events of special significance which may have a material effect on the financial position and performance of the Company.

AGILISYS MANAGED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Controlling party

The immediate parent company is Agilisys Limited. The ultimate parent company and controlling party is Agilisys Group Holdings Limited, a company incorporated in England and Wales.

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

Scale Space
2nd Floor
Imperial College White City Campus
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W12 7RZ