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**AGILISYS MANAGED SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**



**AGILISYS MANAGED SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2010**

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# **AGILISYS MANAGED SERVICES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS FOR THE YEAR ENDED 31 MARCH 2010**

<b>The board of directors</b>	Charles Stuart Mindenhall Kay T Andrews
<b>Registered office</b>	Second Floor 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

# **AGILISYS MANAGED SERVICES LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2010**

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the year ended 31 March 2010

#### **PRINCIPAL ACTIVITIES AND 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

The directors consider the trading results of the company to be satisfactory and are confident that the company has a profitable future

#### **KEY PERFORMANCE INDICATORS (KPI's)**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **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 £102,000 in the year (2009 loss of £273,000). The directors have not recommended the payment of a dividend (2009 £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

#### **DIRECTORS**

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

Charles Stuart Mindenhall

Richard John Amos

Kay T Andrews

Resigned October 23<sup>rd</sup> 2009

# AGILISYS MANAGED SERVICES LIMITED

## DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 31 MARCH 2010

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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, and
- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved,

(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.

Signed on behalf of the directors



Charles Stuart Mindenhall

Director

approved by the directors on 4 October 2010

## **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 2010 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 Directors' Responsibilities Statement 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 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.

#### **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 2010 and of its loss for the year ended, and
- 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

6 October 2010

# AGILISYS MANAGED SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

		2010	2009
	Note	£'000	£'000
<b>TURNOVER</b>	2	5,703	3,089
Cost of sales		(5,478)	(3,160)
<b>GROSS PROFIT/(LOSS)</b>		225	(71)
Administrative expenses		(515)	(299)
<b>OPERATING LOSS</b>	3	(290)	(370)
Interest payable and similar charges	6	(2)	(10)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(292)	(380)
Tax on loss on ordinary activities	7	185	107
<b>LOSS FOR THE FINANCIAL YEAR</b>	17	(107)	(273)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the financial year 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

The notes on pages 8 to 16 form part of these financial statements.



# AGILISYS MANAGED SERVICES LIMITED

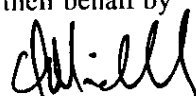
## BALANCE SHEET

AS AT 31 MARCH 2010

	Note	2010 £'000	2009 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	218	543
Investments	9	-	1
		<u>218</u>	<u>544</u>
<b>CURRENT ASSETS</b>			
Debtors (£Nil over one year (2009: £3,507,000))	10	5,245	7,117
Cash at bank and in hand		-	65
		<u>5,245</u>	<u>7,182</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(2,020)</u>	<u>(4,176)</u>
<b>NET CURRENT ASSETS</b>		<u>3,225</u>	<u>3,006</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,443</u>	<u>3,550</u>
<b>CREDITORS: Amounts falling due after more than one year</b>			
	13	<u>(1,350)</u>	<u>(1,350)</u>
<b>NET ASSETS</b>		<u>2,093</u>	<u>2,200</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	-	-
Other reserves	17	123	123
Profit and loss account	17	<u>1,970</u>	<u>2,077</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	18	<u>2,093</u>	<u>2,200</u>

The notes on pages 8 to 16 form part of these financial statements

These financial statements were approved by the directors on the 4 October 2010 and are signed on their behalf by



Charles Stuart Mindenhall  
Director

# AGILISYS MANAGED SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2010

#### 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 period are set out below.

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 "Cashflow Statements" (Revised 1996) 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 is exempt under the terms of FRS 8 "Related party disclosures" from disclosing related party transactions with entities that are part of the Agilisys Holdings Limited group.

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 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its intermediate company, Agilisys Holdings Limited.

##### **Tangible fixed assets**

Tangible fixed assets are stated at historic cost, being their purchase cost together with any incidental expenses of acquisitions 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 will be 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 and Equipment - 33 1/3% - 50% p a

##### **Investments**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

##### **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 2010**

**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**

Turnover from service provision mainly comprises consultancy and services. It excludes value added tax and trade discounts and represents the invoiced value of goods and services supplied and the value of long term contract work done

Where the invoiced value relates to work commitments in the future, this is not recognised until the work is carried out and is included in deferred income on the balance sheet. Revenue earned in the year but yet to be invoiced is treated as accrued income

**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 ENDED 31 MARCH 2010**

**3. OPERATING LOSS**

Operating loss is stated after charging

	<b>2010</b>	2009
	<b>£'000</b>	£'000
Depreciation of owned fixed assets	<b>336</b>	273
Operating lease costs		
Plant & Machinery	<u><b>224</b></u>	<u>170</u>

The audit fee for these companies is borne by Agilisys Professional Services Limited, with £10,000 being allocated to the audit of Agilisys Managed Services Limited (2009 £10,000) No other services were provided for this company by the company's auditors

**4. PARTICULARS OF EMPLOYEES**

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

	<b>2010</b>	2009
	<b>Number</b>	Number
Management, technical and administrative	<u><b>103</b></u>	<u>108</u>

The aggregate gross payroll costs of the above were:

	<b>2010</b>	2009
	<b>£'000</b>	£'000
Wages and salaries	<b>3,269</b>	3,222
Social security costs	<b>324</b>	337
Pension costs	<u><b>143</b></u>	<u>198</u>
	<u><b>3,736</b></u>	<u>3,757</u>

Employee costs are included within recharges to other group companies but it is unable to ascertain separately the element of the charge that relates to staff costs. The charge to the Profit and Loss account is therefore lower than the total staff costs disclosed above.

**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 £143,000 (2009: £198,000). The unpaid contributions outstanding at the year end, included in other creditors and accruals are £15,000 (2009: £17,000).

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**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.

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £'000	2009 £'000
Interest payable on bank borrowing	1	9
Preference shares dividend	<u>1</u>	<u>1</u>
	<u>2</u>	<u>10</u>

**7. TAX ON LOSS ON ORDINARY ACTIVITIES**

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

In respect of the year		
UK Corporation tax based on the loss for the year at 28% (2009 28%)	<u>17</u>	<u>(138)</u>
Total current tax	17	(138)
Deferred tax		
Origination and reversal of timing differences (note 11)	(93)	31
Adjustment in respect of previous period	<u>(109)</u>	<u>-</u>
Total deferred tax	(202)	31
	<u>(185)</u>	<u>(107)</u>
Tax credit on loss on ordinary activities	<u>(185)</u>	<u>(107)</u>

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

The tax assessed on the loss on ordinary activities for the year is higher (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%)

	2010 £'000	2009 £'000
Loss on ordinary activities before taxation	<u>(292)</u>	<u>(380)</u>
Loss on ordinary activities multiplied by standard rate of tax in the UK 28% (2009 28%)	(82)	(106)
Expenses not deductible for tax purposes	6	-
Timing Differences	<u>93</u>	<u>(32)</u>
Total current tax charge/(credit) for the year (note 7(a))	<u>17</u>	<u>(138)</u>

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**8. TANGIBLE FIXED ASSETS**

	Computer and Equipment £'000
<b>COST</b>	
At 1 April 2009	3,451
Additions	11
<b>At 31 March 2010</b>	<b><u>3,462</u></b>
<b>ACCUMULATED DEPRECIATION</b>	
At 1 April 2009	2,908
Charge for the financial year	336
<b>At 31 March 2010</b>	<b><u>3,244</u></b>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2010</b>	<b><u>218</u></b>
At 31 March 2009	<u>543</u>

**9. INVESTMENTS**

	Subsidiary Undertakings £'000
<b>COST AND NET BOOK VALUE</b>	
At 1 April 2009	1
Sale of investment	<u>(1)</u>
<b>At 31 March 2010</b>	<b><u>-</u></b>

The company disposed of its 99.99% investment in Agilisys Managed Services India Pvt Limited during the year. A company incorporated in India and the nature of its business is information technology services.

**10. DEBTORS**

	2010 £'000	2009 £'000
Trade debtors	289	90
Amounts owed by group undertakings	4,162	6,294
Amounts owed by related parties (note 15)	63	85
Deferred taxation (note 11)	563	380
Prepayments and accrued income	168	268
	<b><u>5,245</u></b>	<b><u>7,117</u></b>

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

**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**10. DEBTORS (continued)**

The debtors above include the following amounts falling due after more than one year

	2010 £'000	2009 £'000
Amounts owed by group undertakings	<u>-</u>	<u>3,507</u>

**11. DEFERRED TAXATION**

The deferred tax included in the Balance sheet is as follows

	2010 £'000	2009 £'000
Included in debtors (note 10)	<u>563</u>	<u>380</u>

The movement in the deferred taxation account during the year was

	2010 £'000	2009 £'000
Balance brought forward 1 April	380	411
Profit and loss account movement arising during the year	93	(31)
Utilisation of tax losses (note 7)	(17)	-
Adjustment in respect of previous period	<u>107</u>	<u>-</u>
Balance carried forward 31 March	<u>563</u>	<u>380</u>

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

	2010 £'000	2009 £'000
Accelerated capital allowances	407	380
Losses available for future use	<u>156</u>	<u>-</u>
	<u>563</u>	<u>380</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 ENDED 31 MARCH 2010**

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

	2010	2009
	£'000	£'000
Bank overdraft	507	-
Trade creditors	179	187
Amounts owed to group undertakings	755	3,046
Other taxation and social security	295	195
Other creditors	23	12
Accruals and deferred income	261	736
	<u>2,020</u>	<u>4,176</u>

The overdraft was secured by a fixed and floating charge over all assets of the company's ultimate parent and the group it is part of with the exclusion of H&F Bridge Partnership Limited

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

**13. CREDITORS: Amounts falling due after more than one year**

	2010	2009
	£'000	£'000
Shares classed as financial liabilities (see note 16)	1,350	1,350
	<u>1,350</u>	<u>1,350</u>

**14. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as set out below.

	2010	2009
	Other	Other
	£'000	£'000
Operating leases other than land and buildings which expire		
Within 2 to 5 years	<u>691</u>	<u>691</u>

**15. RELATED PARTY TRANSACTIONS**

All the companies below are related by way of having common directors and the balances arise in the normal course of trading.

During the year the company had turnover with BMS Finance Limited totalling £Nil (2009 £2,000) in relation to the provision of information technology services. At the year end £Nil was owed by BMS Finance Limited (2009: £Nil) and is related by virtue of having common directors

During the year the company had turnover with Evivo Limited £219,000 (2009 £183,000) in relation to the provision of information technology services. At the year end the company was



**AGILISYS MANAGED SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

owed £37,865 from Evivo Limited (2009 £34,500) and is related by virtue of having common directors

**15. RELATED PARTY TRANSACTIONS (continued)**

During the year the company had turnover with TDX Limited totalling £Nil (2009 £6,000) in relation to the provision of information technology services. At the year end £Nil was owed by TDX Limited (2009 £Nil) and included within related party debtors

During the year the company had turnover with Teleglobal Limited totalling £Nil (2009 £35,000) in relation to the provision of information technology services. At the year end £25,000 was owed by Teleglobal Limited (2009 £50,000) and included within related party debtors

**16. CALLED UP SHARE CAPITAL**

**Authorised share capital:**

	2010 £'000	2009 £'000
1,000 (2009 1,000) Ordinary shares of £1 each	1	1
1,350,000 (2009 1,350,000) 0 1% Convertible Redeemable Preference shares of £1 each	1,350	1,350
13,500 (2009 13,500) Deferred shares of £1 each	14	14
	<u>1,365</u>	<u>1,365</u>

**Allotted and fully paid:**

	2010 Number	2010 £'000	2009 Number	2009 £'000
Ordinary shares of £1 each	100	-	100	-
0 1% Convertible Redeemable Preference shares of £1 each	1,350,000	1,350	1,350,000	1,350
	<u>1,350,100</u>	<u>1,350</u>	<u>1,350,100</u>	<u>1,350</u>
<b>Shares classed as financial liabilities</b>				
0 1% Convertible Redeemable Preference shares of £1 each	<u>1,350,100</u>	<u>1,350</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. As a result, shares are classed as a long term financial liability over the next year dependant upon the profitability of the company - or upon certain circumstances. The shares 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 ENDED 31 MARCH 2010**

**17. RESERVES**

	Capital redemption reserve £'000	Profit and loss account £'000
Balance brought forward 1 April 2009	123	2,077
Loss for the Financial year	<u>-</u>	<u>(107)</u>
<b>Balance carried forward 31 March 2010</b>	<b><u>123</u></b>	<b><u>1,970</u></b>

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

	2010 £'000	2009 £'000
Loss for the financial year	(107)	(273)
Opening equity shareholders funds	<u>2,200</u>	<u>2,473</u>
Closing equity shareholders funds	<b><u>2,093</u></b>	<b><u>2,200</u></b>

**19. 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

Second Floor  
26-28 Hammersmith Grove  
London  
W6 7AW