

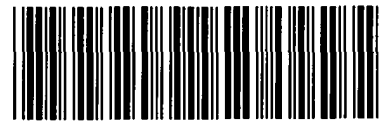
AGILISYS MANAGED SERVICES LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

FRIDAY



AA5XL320

A06

04/06/2021

#152

COMPANIES HOUSE

AGILISYS MANAGED SERVICES LIMITED
--

COMPANY INFORMATION

Directors Andrew Court (resigned 28 June 2019)
 Andrew Mindenhall
 Gabriel Pirona (appointed 1 July 2020)
 Thomas Drury

Registered number 04298949

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

Bankers Barclays Bank PLC
 1 Churchill Place
 London
 E14 5HP

AGILISYS MANAGED SERVICES LIMITED

CONTENTS

	Pages
Directors' report	1 - 3
Income Statement and Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Notes to the financial statements	7 - 19

AGILISYS MANAGED SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Results and dividends

The profit for the year, after taxation, amounted to £306,000 (2019 - £299,000).

The Company did not pay a dividend during the year (2019: £nil).

The net liabilities of the Company at the reporting date was £31,000 (2018: £337,000).

Directors

The directors who served during the year were:

Andrew Court (resigned 28 June 2019)

Andrew Mindenhall

Thomas Drury

Gabriel Pirona (appointed 1 July 2020)

Future developments

The company's parent company has confirmed its intention to support the Company so far as to ensure that it meets its liabilities as they fall due for at least 12 months after the date of approval of the financial statements and consequently the directors have prepared the financial statements on a going concern basis.

The company is expected to remain profitable as it will continue servicing its current contracts and look for ways to reduce costs.

Principal risks and uncertainties

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. There is not considered to be a significant risk arising from political uncertainty as contracts are long term and any potential impact would be assessed prior to entering into a contract.

AGILISYS MANAGED SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

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 Holdings Limited. The directors have received confirmation that Agilisys Holdings Limited intends to support the company for at least one year from the date these financial statements have been signed.

The Directors of the parent company, Agilisys Holdings Limited have assessed the working capital needs of the business for the next 12 months from the date of signing the financial statements including sensitivity analysis on a severe but plausible downside scenario basis and they have concluded that the Group has no issues in relation to going concern. In considering the severe but plausible downside scenario, the Directors forecasted a position with a revenue shortfall of 14% against budget for the year to 31 March 2021 and a £5 million default by trade debtors. On the basis that most of the Group's revenue comes from long-term contracts with public sector bodies, this severe but plausible downside case scenario is highly unlikely. Since the year-end, the Group is trading ahead of budget and well in excess of this scenario.

In the short-term, the Group has taken advantage of short-term Government initiatives in relation to Covid-19 including VAT deferral and furlough of 1.4% of the Group's total staff numbers. The vast majority of staff were retained to meet the Group's contractual obligations. At the date of signing this Annual Report, 0.8% of total Group staff have returned to work with 0.3% made redundant and 0.1% expected to return to work at the end of the furlough scheme at the end of October 2020. The Group has sufficient financial resources to repay all taxes which have been deferred.

Given this assessment, the Directors consider that the Company has adequate reserves to fulfil all of its obligations as they fall due and therefore consider it appropriate to prepare the financial statements on a going concern basis.

Post balance sheet events

Since the year end, the Company has been dealing with the Covid-19 pandemic and the uncertainties that it has caused in economic outlook. The Company has taken advantage of some of the Government initiatives that were introduced as a result of the pandemic which included the deferment of VAT payments due between March 2020 and June 2020 until March 2021.

The impact of Covid-19 has no material impact on the Company's critical estimates and judgements as disclosed in the accounting policies in relation to the year ended 31 March 2020.

After the reporting date on 31 March 2020, there were no other 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 2020**

This report was approved by the board on 28 October 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Andrew Mindenhall', written in a cursive style.

Andrew Mindenhall
Director

AGILISYS MANAGED SERVICES LIMITED

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £Nil	2019 £000
Turnover	3	1,394	1,387
Cost of sales		(1,040)	(1,129)
Gross profit		354	258
Administrative income / (expenses)		24	117
Operating profit	4	378	375
Interest receivable and similar income	7	-	(6)
Profit before tax		378	369
Tax on profit	8	(72)	(70)
Profit for the financial year		306	299

There was no other comprehensive income for 2020 (2019:£Nil).

AGILISYS MANAGED SERVICES LIMITED
REGISTERED NUMBER: 04298949


STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	9	4	6
		<u>4</u>	<u>6</u>
Current assets			
Debtors	10	1,625	1,731
Cash at bank and in hand	11	-	131
		<u>1,625</u>	<u>1,862</u>
Creditors: amounts falling due within one year	12	(310)	(855)
Net current assets		<u>1,315</u>	<u>1,007</u>
Total assets less current liabilities		<u>1,319</u>	<u>1,013</u>
Creditors: amounts falling due after more than one year	13	(1,350)	(1,350)
Net liabilities		<u>(31)</u>	<u>(337)</u>
Capital and reserves			
Other reserves	17	123	123
Accumulated losses	17	(154)	(460)
		<u>(31)</u>	<u>(337)</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006. The 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 28 October 2020.


Gabriel Pirona
 Director

The notes on pages 7 to 19 form part of these financial statements.

AGILISYS MANAGED SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Other reserves £000	Accumulated losses £000	Total equity £000
At 1 April 2018	123	(759)	(636)
Comprehensive expense for the year			
Profit for the financial year	-	299	299
	<hr/>	<hr/>	<hr/>
At 1 April 2019	123	(460)	(337)
Comprehensive income for the year			
Profit for the financial year	-	306	306
	<hr/>	<hr/>	<hr/>
At 31 March 2020	123	(154)	(31)
	<hr/>	<hr/>	<hr/>

The notes on pages 7 to 19 form part of these financial statements.

AGILISYS MANAGED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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 judgment 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 Holdings Limited. The directors have received confirmation that Agilisys Holdings Limited intends to support the company for at least one year from the date these financial statements have been signed.

The Directors of the parent company, Agilisys Holdings Limited have assessed the working capital needs of the business for the next 12 months from the date of signing the financial statements including sensitivity analysis on a severe but plausible downside scenario basis and they have concluded that the Group has no issues in relation to going concern. In considering the severe but plausible downside scenario, the Directors forecasted a position with a revenue shortfall of 14% against budget for the year to 31 March 2021 and a £5 million default by trade debtors. On the basis that most of the Group's revenue comes from long-term contracts with public sector bodies, this severe but plausible downside case scenario is highly unlikely. Since the year-end, the Group is trading ahead of budget and well in excess of this scenario.

In the short-term, the Group has taken advantage of short-term Government initiatives in relation to Covid-19 including VAT deferral and furlough of 1.4% of the Group's total staff numbers. The vast majority of staff were retained to meet the Group's contractual obligations. At the date of signing this Annual Report, 0.8% of total Group staff have returned to work with 0.3% made redundant and 0.1% expected to return to work at the end of the furlough scheme at the end of October 2020. The Group has sufficient financial resources to repay all taxes which have been deferred.

Given this assessment, the Directors consider that the Company has adequate reserves to fulfil all of its obligations as they fall due and therefore consider it appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting policies (continued)**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 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.

1.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

1.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

1.6 Employee benefits**(i) Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

AGILISYS MANAGED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting policies (continued)

1.7 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 date, 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.

1.8 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 2020**

1. Accounting policies (continued)

1.8 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.
--------------------	--------------------

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 the Statement of comprehensive income.

1.9 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.

1.10 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.

1.11 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.

1.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. Accounting policies (continued)

1.13 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.

1.14 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 2020**

3. Turnover

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

	2020 £000	2019 £000
Digital Transformation	1,394	1,387
	1,394	1,387
	1,394	1,387

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible fixed assets	2	6
Defined contribution pension cost (Note 6)	-	820
	-	820
	-	820

The emoluments of the Directors' are paid by its immediate holding company, Agilisys Limited which makes no recharge to the Company. The Directors' are also Directors' of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of the Directors'. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

5. Auditors' remuneration

	2020 £000	2019 £000
The auditing of financial statements of associates of the Company pursuant to legislation	-	5
	-	5
	-	5

AGILISYS MANAGED SERVICES LIMITED
--

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Employees

Staff costs before recharges were made to group entities were as follows:

	2020	2019
	£000	£000
Wages and salaries	-	10,204
Social security costs	-	1,084
Other pension costs (note 6)	-	820
	<u>-</u>	<u>12,108</u>
	<u>-</u>	<u>12,108</u>

In April 2019, the Agilisys Group decided to consolidate all its employees into one entity to enable a more efficient streamlined payroll process. All employees of Agilisys Managed Services Limited were transferred to Agilisys Limited with effect from 1 April 2019. As a result, there are no employee costs disclosed in these financial statements.

7. Interest receivable

	2020	2019
	£000	£000
Other interest receivable	-	(6)
	<u>-</u>	<u>(6)</u>
	<u>-</u>	<u>(6)</u>

AGILISYS MANAGED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Tax on profit

	2020	2019
	£000	£000
Corporation tax		
Current tax on profits for the year	45	57
Total current tax	45	57
Deferred tax		
Timing differences due to capital allowances	27	-
Impact of change in tax rates	-	13
Total deferred tax	27	13
Tax on profit	72	70

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020	2019
	£000	£000
Profit before tax	378	369
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	72	70
Effects of:		
Total tax charge for the year	72	70

Factors that may affect future tax charges

The tax rate for the current year is the same as the prior year, with the UK Corporation Tax rate remaining at 19%. In the Spring Budget 2020, the Government announced that from 1 April 2020 the Corporate Tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

AGILISYS MANAGED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Tangible assets

	Computer equipment £000
Cost or valuation	
At 1 April 2019	2,703
At 31 March 2020	<u>2,703</u>
Accumulated depreciation	
At 1 April 2019	2,697
Charge for the year	2
At 31 March 2020	<u>2,699</u>
Net book value	
At 31 March 2020	<u>4</u>
At 31 March 2019	<u>6</u>

10. Debtors

	2020 £000	2019 £000
Trade debtors	267	27
Amounts owed by group undertakings	1,229	1,456
Prepayments and accrued income	66	158
Deferred taxation	63	90
	<u>1,625</u>	<u>1,731</u>

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 2020**

11. Cash at bank and in hand

	2020 £000	2019 £000
Cash at bank and in hand	-	131
Less: bank overdrafts	(52)	-
	(52)	131

12. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Bank overdrafts	52	-
Trade creditors	107	126
Corporation tax	45	57
Other taxation and social security	-	358
Other creditors	-	76
Accruals and deferred income	106	238
	310	855

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

	2020 £000	2019 £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 16.

AGILISYS MANAGED SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Financial instruments

	2020	2019
	£000	£000
Financial assets		
Trade debtors	267	27
Accrued income	-	89
Amount owed by group undertakings	1,229	1,456
	<u>1,496</u>	<u>1,572</u>
Financial liabilities		
Trade creditors	(107)	(126)
Bank overdrafts	(52)	-
Accruals and deferred income	(106)	(239)
Other creditors	-	(76)
	<u>(265)</u>	<u>(441)</u>

15. Deferred taxation

	2020	2019
	£000	£000
At beginning of year	90	103
Charged to profit or loss	(27)	(13)
At end of year	<u>63</u>	<u>90</u>

The deferred tax asset is made up as follows:

	2020	2019
	£000	£000
Accelerated capital allowances	63	76
Other timing differences	-	14
	<u>63</u>	<u>90</u>

AGILISYS MANAGED SERVICES LIMITED
--

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. 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.

2020	2019
£000	£000

Shares classified as debt

Allotted, called up and fully paid

1,350,000 (2019 - 1,350,000) Convertible Redeemable Preference shares of £1.00 each

1,350	1,350
--------------	--------------

17. Reserves

Accumulated losses

The balance held on this reserve is the accumulated losses of the Group.

18. Pension commitments

Defined contribution scheme

The Company classifies all of its pension scheme arrangements as defined contribution schemes. The assets of the schemes are held separately from those of the Company in independently administered funds.

19. 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.

The Company has related party balances with BC Foxtrot Limited and Oakbrook Limited which are connected companies. The turnover in the year with BC Foxtrot Limited was £Nil (2019: £10,311), with a closing balance of £Nil (2019: £10,311). The turnover in the year with Oakbrook Limited was £2,750 (2019: £5,514), with a closing balance of £Nil (2019: £Nil).

AGILISYS MANAGED SERVICES LIMITED
--

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. Events after the reporting period

Since the year end, the Company has been dealing with the Covid-19 pandemic and the uncertainties that it has caused in economic outlook. The Company has taken advantage of some of the Government initiatives that were introduced as a result of the pandemic which included the deferment of VAT payments due between March 2020 and June 2020 until March 2021.

The impact of Covid-19 has no material impact on the Company's critical estimates and judgements as disclosed in the accounting policies in relation to the year ended 31 March 2020.

After the reporting date on 31 March 2020, there were no other events of special significance which may have a material effect on the financial position and performance of the Company.

21. 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 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
58 Wood Lane
London
W12 7RS