
AGILISYS SERVICES HOLDINGS LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



AGILISYS SERVICES HOLDINGS LIMITED

COMPANY INFORMATION

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

Registered number 03917871

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 SERVICES HOLDINGS LIMITED

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AGILISYS SERVICES HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Principal activities

The company is an intermediary holding company with an investment in its subsidiary.

Business review and future developments

The company has not traded during the financial year and does not intend to trade in the foreseeable future.

It will continue to be an intermediary holding company for the foreseeable future.

The company did not receive a dividend in 2020 (2019- £nil).

Financial risk management policy

The Company finances its operations by a combination of shareholders' funds and bank facilities. Therefore the Company's main financial risks are primarily:

- Credit risk – primarily attributable to trade debtors and accrued income;
- Market risk and principally interest rate risk – attributable to the Company's cash balances; and
- Liquidity risk – this is the risk that suitable funding for the Company's activities may not be available.

The Board approves the Company's treasury policy and senior management control day-to-day operations. The objectives are to manage financial risk, to ensure sufficient liquidity is maintained to meet foreseeable needs, and to invest cash assets safely and profitably. Relationships with banks, lenders and cash management are coordinated centrally.

The Company's trade debtors and accrued income relate to long term contracts with long established customers in the public sector. The credit risk associated with the trade debtor and accrued income balances is minimised by the credit worthiness of our customers and the credit management procedures in operation.

Principal risk and uncertainties

As the Company is a holding company, the principal risk arises from any adverse valuation in subsidiaries which would cause an impairment of the investment value. This is dependent on the performance of each subsidiary and the risk is mitigated by the subsidiaries' own performance tracking and steps taken to ensure financial targets are met.

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

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A P Mindenhall
Director

AGILISYS SERVICES HOLDINGS 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.

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the 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 United Kingdom Accounting Standards comprising FRS 102, 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 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 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.

AGILISYS SERVICES HOLDINGS 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.

Results and dividends

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

The directors did not propose or pay a dividend (2019 - nil).

The net assets of the company at the reporting date was £10,622,000 (2018: £9,264,000).

Directors

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

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

Financial risk management policy

The financial risk management policy is set out in the Strategic Report.

AGILISYS SERVICES HOLDINGS LIMITED

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

Post balance sheet events

Since the year-end, the Company and its subsidiary have been dealing with the Covid-19 pandemic and the uncertainties that it has caused in economic outlook. The Company's subsidiary has benefited from Government initiatives 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 or its subsidiary.

Directors indemnities

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.

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



Andrew Mindenhall
Director

AGILISYS SERVICES HOLDINGS LIMITED

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

		2020 £000	2019 £000
Administrative expenses		-	-
		<hr/>	<hr/>
Operating result		-	-
		<hr/>	<hr/>
Profit for the financial year		-	-
		<hr/>	<hr/>
Other comprehensive income for the year			
Unrealised surplus on revaluation of fixed asset investments	4	1,358	2,491
		<hr/>	<hr/>
Other comprehensive income for the year		1,358	2,491
		<hr/>	<hr/>
Total comprehensive income for the year		1,358	2,491
		<hr/>	<hr/>

There were no recognised gains and losses for 2020 or 2019 other than those included in the income statement and statement of comprehensive income.

The notes on pages 8 to 14 form part of these financial statements.

AGILISYS SERVICES HOLDINGS LIMITED
REGISTERED NUMBER: 03917871

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

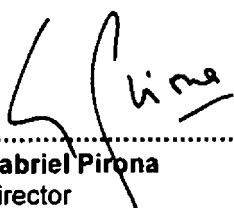
	Note	2020 £000	2019 £000
Fixed assets			
Investments	4	27,259	25,901
		<u>27,259</u>	<u>25,901</u>
Current assets			
Debtors	5	3	3
Cash at bank and in hand	6	2	1
		<u>5</u>	<u>4</u>
Total assets less current liabilities		27,264	25,905
Creditors: amounts falling due after more than one year	7	(16,642)	(16,641)
Net assets		10,622	9,264
Capital and reserves			
Called up share capital	10	300	300
Revaluation reserve	11	10,257	8,899
Retained earnings	11	65	65
Total equity		10,622	9,264

For the year ended 31 March 2020 the Company was entitled to exemption from audit under section 480 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 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 financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 October 2020.


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Gabriel Pirona
Director

AGILISYS SERVICES HOLDINGS LIMITED

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

	Called up share capital £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2019	300	8,899	65	9,264
Surplus on revaluation of investments in subsidiary undertakings	-	1,358	-	1,358
Total comprehensive income for the year	-	1,358	-	1,358
At 31 March 2020	300	10,257	65	10,622

The notes on pages 8 to 14 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2018	300	6,408	65	6,773
Surplus on revaluation of investments in subsidiary undertakings	-	2,491	-	2,491
Total comprehensive income for the year	-	2,491	-	2,491
At 31 March 2019	300	8,899	65	9,264

The notes on pages 8 to 14 form part of these financial statements.

AGILISYS SERVICES HOLDINGS 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 financial statements have been prepared on a going concern basis under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value.

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.

1.3 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change 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.

(i) Current tax

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or

AGILISYS SERVICES HOLDINGS LIMITED

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

1. Accounting policies (continued)

1.3 Taxation (continued)

substantively enacted by the reporting date in the countries where the Company operates and generates income.

(ii) Deferred tax

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 period end and that are expected to apply to the reversal of the timing difference.

AGILISYS SERVICES HOLDINGS LIMITED

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

1. Accounting policies (continued)

1.4 Share capital

Ordinary shares are classified as equity.

1.5 Investments

Fixed asset investments are carried at the Company's share of the underlying net assets with changes in valuation taken to the revaluation reserve. Investments in subsidiary undertakings are revalued to the underlying net asset value of those subsidiary undertakings at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income and the revaluation reserve. When there are insufficient reserves in the revaluation reserve, any losses are then taken to the income statement.

1.6 Cash and cash equivalents

Cash 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.

1.7 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 liabilities relate to amounts owed to group undertakings which are measured at the transaction price as they have no fixed date of repayment.

1.8 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

1.9 Related party transactions

The Company does not disclose transactions with members of the same group that are wholly owned, as they are exempt.

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.

The directors have concluded that there are no estimates and assumptions applied in the accounting of these financial statements that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

AGILISYS SERVICES HOLDINGS LIMITED

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

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019 - *£NIL*).

The emoluments of the Directors' are paid by the parent company 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.

4. Investments

	Investments in subsidiary undertakings £000
Cost or valuation	
At 1 April 2019	25,901
Revaluation	1,358
	<hr/>
At 31 March 2020	27,259
	<hr/>
Net book value	
At 31 March 2020	27,259
	<hr/>
At 31 March 2019	25,901
	<hr/>

Subsidiary undertakings

The Company owns 100% of the ordinary £1 shares of Agilisys Professional Services Limited which is registered in England and Wales. The principal activity of the subsidiary is the provision of IT managed services and professional services across the UK to blue chip companies and Local Government. The investments are recognised at the nominal value of the shares issued. Subsequent changes in value are taken through the revaluation reserve.

AGILISYS SERVICES HOLDINGS LIMITED

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

5. Debtors

	2020 £000	2019 £000
Deferred taxation	3	3
	<u>3</u>	<u>3</u>

6. Cash at bank and in hand

	2020 £000	2019 £000
Cash at bank and in hand	2	1
	<u>2</u>	<u>1</u>

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

	2020 £000	2019 £000
Amounts owed to group undertakings	16,642	16,641
	<u>16,642</u>	<u>16,641</u>

Whilst the balances have no fixed date of repayment the directors have confirmed that the loans will not be called for payment within 12 months from the date of signing these financial statements.

8. Deferred taxation

	2020 £000
At beginning of year	3
At end of year	<u>3</u>

AGILISYS SERVICES HOLDINGS LIMITED

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

8. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Tax losses carried forward	3	3
	3	3

9. Taxation

There is no tax payable or receivable in the year (2019 - nil).

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.

10. Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
300,003 (2019 - 300,003) Ordinary shares shares of £1.00 each	300	300

11. Reserves

Revaluation reserve

The revaluation reserve represents the movement in value of the investment in subsidiaries. The movement in the revaluation reserve was £1,358,000 (2019: £2,491,000).

AGILISYS SERVICES HOLDINGS LIMITED

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

12. Post balance sheet events

Since the year-end, the Company and its subsidiary have been dealing with the Covid-19 pandemic and the uncertainties that it has caused in economic outlook. The Company's subsidiary has benefited from Government initiatives 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 or its subsidiary.

13. Controlling party

The immediate parent company is Agilisys Holdings Limited, a company incorporated in England and Wales. 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 of these entities are available from:

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

14. 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 group consolidated accounts of Agilisys Holdings Limited. There are no other related party transactions to disclose.