

Registered number: 04327369

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**AGILISYS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**AGILISYS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A P Mindenhall T Drury Gabriel Pirona (appointed 1 July 2020)
<b>Registered number</b>	04327369
<b>Registered office</b>	Scale Space 2nd Floor Imperial College White City Campus 58 Wood Lane London, United Kingdom W12 7RZ
<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

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**AGILISYS LIMITED**

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## **AGILISYS LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Principal activities**

The Company provides business process outsourcing, IT Services, digital transformation and a suite of complementary digital products throughout the UK primarily for public sector clients.

#### **Business review and future development**

The Directors consider the trading results of the Company to be positive especially given the competitive market in which it operates in and are confident that the Company will continue to build on the achievements of the current financial year. A number of new contracts were successfully tendered and won in the year including City of London, Harrow Council and Reading Borough Council. Walsall Metropolitan Borough Council, Oxfordshire County Council and Greater Manchester Police.

As the Company further progresses in the delivery of its strategy of evolution from an IT lead managed services company to the technology and digital transformation partner of choice for public services .

In spite of the challenging macro environment, the demand for our end to end cloud and digital transformation propositions remains strong, particularly Cloud based services, and increasingly in Customer Experience Management, Robotisation and Process Automation, as well as the newly launched Data and Insight practice, which coupled with our Managed Services proposition allows us to build enduring, and often new, multi-year, relationships on the back of our innovative and transformational propositions.

During the Covid-19 pandemic the Company has not been adversely affected, neither in its trading results nor its liquidity. Most of the Company's business is through long-term contracts with public sector bodies who have continued to deliver services to citizens. The Company has been able to meet its contractual obligations through the implementation of home-working. Customers have continued to pay their invoices on time and in accordance with contractual terms.

#### **Principal risks and uncertainties**

The principal risks relate to IT managed services contracts and digital transformation 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 deemed to be low contractual risk as the majority of clients are public sector clients.

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**AGILISYS LIMITED**

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Financial key performance indicators**

The Directors track various financial and operational KPI's. Financial KPI's tracked are turnover and gross margins across business units and overall overhead costs. Comparison is made of month on month trends and against budget.

	2021	2020	2021	2020	
	£'000	£'000	%	%	Commentary
Turnover / % change	115,702	105,385	10	3	The increase in turnover during the year is in line with the Board's expectations with revenue from new contract wins in current and previous last financial year
Operating profit /margin %	10,115	2,093	9	2	Operating profit margin is the ratio of operating profit expressed as a percentage of turnover. Significant increase in margin through delivery of higher turnover and implementing a number of margin improvement programmes.

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## AGILISYS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Other key performance indicators

The operational KPI's tracked are key service levels for system and application availability times and service desk response times. For our contact centre business we track service levels against productive agent hours.

#### Financial Risk Management

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

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

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.

Minimal cash balances are maintained in overseas operations and their cash requirement is monitored monthly. The Company's trade debtors and accrued income relate to long term contracts with long established customers in the public and private 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.

The Company has exposure to the translation of trading results from overseas operations from their local currency back to Sterling. This exposure relates to Indian rupees with India. The Company faces a small exposure to foreign currency risk as it has limited overseas operations and does not deem it necessary to hedge the exposure.

#### Non-financial information

##### Environmental Matters

The Company is mindful of its responsibilities towards protecting the environment, it is committed to the protection of the environment and has policies, procedures and working practices designed to conform with ISO14001:2015, the internationally recognised standard for Environmental Management Systems. As a Company we have 4 main objectives:

- Reduce business travel, in order to cut down on harmful emissions.
- Reduce email traffic, and especially the use of attachments, which has a significantly larger carbon footprint than the sharing of documents via MS Teams and One Drive etc.
- Ensuring that the procurement process considers the environmental impact of our supply chain
- Reduce the generation of waste

Our UK Greenhouse gas emissions and energy use data is provided in the Directors' report.

##### Engagement With Customers

In delivering its services to our customers, the Company aims to produce positive social outcomes to the communities served by our customers. The Company's digital solutions allow customers to deliver their services more efficiently, empower their staff and improve citizen experience by making services available to them when they need them most.

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## AGILISYS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Respect for Human Rights

The Company's values of passion, partnership, innovation and integrity are fundamental in developing a culture that respects human rights and promotes equality regardless of race, gender, disability or sexual orientation.

#### Gender Pay Gap

The industry the Company operates in is overwhelmingly male dominated, taking steps to close the gender pay gap is very important. This can only be achieved by addressing the gender imbalance and this continues to be one of our priorities in FY22. We have several planned initiatives to ensure that we continually reduce the gap including, establishing our Diversity and Inclusion steering group, introduced career pathways to ensure the route to senior roles is clear and transparent and we are a signatory of the Tech Talent Charter, which means that we have made a number of pledges in relation to our approach to recruitment and retention. We are aiming to deliver greater gender diversity in the tech workforce of the UK to one that better reflects the make up of the communities we work in. The Company's Gender Gap Pay Report can be found on its web-site [www.agilisys.co.uk](http://www.agilisys.co.uk).

#### Anti-bribery and Corruption Matters

The Company has a zero-tolerance approach to bribery and corruption. Corruption and bribery risks are managed by the board with controls in place to prevent conflicts of interest, disclosure of gifts and entertainment and training for employees on bribery risks.

#### Engagement with Stakeholders

The Company's engagement with its stakeholders is described in the Directors' Report.

The Board monitors this non-financial information through monthly board meetings and regular review of its policies on these matters. The pursuance of these policies provide the Company with positive outcomes which help to create an environment to secure future prosperity for its stakeholders.

#### Directors' statement of compliance with duty to promote the success of the Company - Section 172

Under Section 172 of the Companies Act 2006, the Directors have a duty to promote the success of the Company in the long term for the benefit of shareholders as a whole, having regard to a range of other key stakeholders and interests. During the year ended 31 March 2021, the Directors have acted in a way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of the members as a whole, and in doing so have had regard to:

- the likely consequences of any decisions in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment
- the desirability of the Company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the Company

In particular, in developing our long term plans, we considered the long term impact of investment and other spending decisions on the Company's future results, the interests of employees and other stakeholders. Our strategy is to be the number 1 Digital Services Partner for UK public service providers and for the communities that rely on them.

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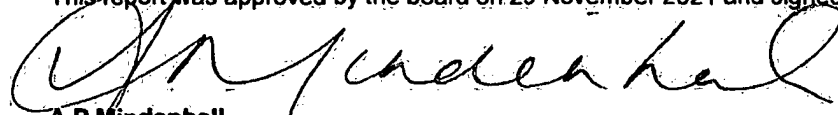
**AGILISYS LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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This report was approved by the board on 29 November 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'A P Mindenhall', written over a horizontal line.

**A P Mindenhall**  
Director

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## **AGILISYS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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The Directors present their report and the audited financial statements for the year ended 31 March 2021.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulation.

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 judgments 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;
- 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.

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £8,900,000 (2020 - £1,727,000).

The net assets of the Company at 31 March 2021 is £48,238,000 (2020 - £39,488,000).

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 Directors do not recommend the payment of a final dividend. Nil dividends were paid in the current year (2020 - £Nil).

Included within the Strategic Report is the 'Business review and future development' and 'financial risk management' with the 'other key performance indicators' section.

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## **AGILISYS LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Directors**

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

A P Mindenhall  
T Drury  
Gabriel Pirona (appointed 1 July 2020)

#### **Engagement with Stakeholders**

##### **Engagement with suppliers, customers and others**

Agilisys' goal is to be the technology and transformation partner for public services. The partnerships we create make a positive difference to the communities we are part of, the customers we serve, the people we invest in, and those who invest in us. We measure this through the eyes of our stakeholders. We define our stakeholders as our customers with whom we partner, our employee owners, our shareholders and Board and those who provide goods and services to us.

To partner effectively with these stakeholder groups it is crucial that we understand their different needs and expectations.

##### **Statement of commitment**

As a responsible business we are committed to:

- Engaging our stakeholder groups to develop and maintain positive, productive relationships
- Ensuring key stakeholders are well informed and have access to information about our business and our activities
- Involving our stakeholders in identifying issues which are material to our business
- Implementing initiatives and programmes that contribute to improved social value

##### **Our objectives for engaging our stakeholders**

As a responsible business we are committed to:

- Collaborating with stakeholders to identify emerging trends and develop solutions to future challenges
- Ensuring that our activities meet our stakeholders' needs
- Identifying material issues in a collaborative way to create value for our business and our stakeholders
- Assessing and creating opportunities to add social value to our partners and partnerships

##### **How we engage**

Our engagement approach allows us to identify and prioritise material issues with every appropriate stakeholder. Ongoing engagement is achieved through a number of different channels.

These may include:

##### **Employees**

Ensuring that our business is a great place to work, with a flexible, skilled, diverse, motivated and engaged workforce, are key priorities for Agilisys.

We use a variety of methods to regularly engage our staff, ranging from bi-annual engagement surveys, weekly communications on subjects such as diversity, inclusion, health and safety and wellbeing to all employees and individual business unit engagement led by the HR team.

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## **AGILISYS LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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Two way engagement is delivered through our Trade Union representatives and EBT Employee Representative group which meets regularly and provides the opportunity to share information with our people and discuss and resolve workforce issues and innovations. This is supplemented by quarterly, CEO-led, all staff meetings and weekly wider leadership team briefings.

#### **Suppliers**

Agilisys has a number of important relationships with our suppliers and bankers. These relationships are managed by key managers and directors of the individual business units.

An internal supplier management and review process ensures that we have visibility of any issues and concerns related to, or that will affect our partners and suppliers and is the forum through which decisions are made on what communications and stakeholder engagement is appropriate.

#### **Customers**

Agilisys relationship with our customers is key to our business' success and growth. We continually engage with our customer stakeholders, both directly on our partnership boards and related operational meetings where we evidence service through KPI's and metrics, but also through customer satisfaction surveys and requesting continuous feedback on our relationships. Each business unit has responsibility for managing the relationships with its clients, with members of our Senior Leadership Team taking personal responsibility for relationships with our strategic partners and customers.

#### **Shareholders, investors and Board**

Agilisys benefits from the backing of supportive and committed long-term shareholders and Board members who share the company's vision for growth.

Engagement takes place regularly, including formal board meetings, sub-board meetings, regular informal business updates and a monthly board report along with statutory accounting requirements, statements and reports. Additionally, the shareholders make their subject matter experts available to Management for support in technical areas such as tax.

#### **Engagement with employees**

The directors would like to take this opportunity to thank the employees for their hard work, commitment and innovation over the last twelve months.

Consultation with employees has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Group as a whole. Communication with all employees continues through the Group intranet, newsletters, monthly meetings and webcasts. Employees are encouraged directly through a detailed performance review and objective setting process, and through training and development opportunities. Training and development still continued during the lockdown period as most of our training modules are conducted online and managers were encouraged to hold frequent video calls with employees to check in on their mental well being and to offer support where required.

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company is important.

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## **AGILISYS LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **Disabled employees**

It is the Company's policy that there should be no unfair discrimination in recruiting and promoting staff, including applicants who are disabled. In the event that any members of staff become disabled, every practical effort is made to provide continued employment and appropriate training is arranged. The directors are committed to maintaining and developing communication and consultation processes with employees, who in turn are encouraged to become aware of and involve themselves in the performance of the Company as a whole.

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

#### **Directors' confirmations**

In the case of each director at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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## AGILISYS LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Streamlined Energy and Carbon Reporting

The Streamlined Energy and Carbon Report is for the Agilisys Group, the table below is the best estimate for Agilisys as an entity.

#### UK Greenhouse gas emissions and energy use data for the year 01 April 2020 to 31 March 2021 \*

	2021	2020
Energy consumption used to calculate emissions (kWh)	441,955	1,600,692
Scope 1 (direct) emissions in metric tonnes CO2e		
Gas consumption	N/A	N/A
Transport - class II diesel vans	0.74	1.87
Transport - class III diesel vans	12.53	67.16
Total Scope 1	13.27	69.03
Scope 2 (energy indirect) emissions in metric tonnes CO2e		
Office electricity consumption	75.83	192.24
Scope 3 (other indirect) emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	16.00	124.82
Total gross emissions in metric tonnes CO2e	105.10	386.09
Intensity ratio Tonnes CO2e per FTEE	0.10	0.38

#### \*Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the UK Government GHG Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per full time equivalent employee (FTEE), a recommended ratio for all sectors.

#### Measures taken to improve energy efficiency:

- We have installed an Environmental Management System (ISO14001:2015) to monitor and improve our environmental performance.
- We have increased videoconferencing technology for staff meetings and are encouraging staff to work from home wherever possible to reduce the need for travel.
- We have also installed LED lighting and PIR sensors in some offices.

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## **AGILISYS LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

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#### **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.

The Directors of the parent company, Agilisys Group Holdings Limited have assessed the working capital needs of the Group 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 22% for the next 12 months from the date of signing the financial statements and a default of 10% of trade debtors. In this severe but plausible downside scenario, the Group would continue to generate cash and meet its banking covenants.

During the Covid-19 pandemic, the Group has not been adversely affected, neither in its trading results nor its liquidity. Most of the Group's business is through long term contracts with public sector bodies who have continued to deliver services to citizens. The Group has been able to meet its contractual obligations through the implementation of home-working. Customers have continued to pay their invoices on time and in accordance with contractual terms.

On the basis that most of the Group's revenue comes from long term contracts with public sector bodies, this severe but plausible scenario is highly unlikely.

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.

#### **Directors indemnity 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.

#### **Post balance sheet events**

Since the year end, Company has continued to deal with the Covid-19 pandemic and the uncertainties that it has caused in economic outlook.

The impact of Covid-19 has no impact on the Company's critical estimates and judgements disclosed in the accounting policies in relation to the year ended 31 March 2021.

After the reporting date on 31 March 2021, there were no other events of special significance which may have a material effect on the financial position and performance of the Company.

#### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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**AGILISYS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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This report was approved by the board on 29 November 2021 and signed on its behalf.

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

A P Mindenhall  
Director

# Independent auditors' report to the members of Agilisys Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Agilisys Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 March 2021; the Income Statement and Statement of comprehensive Income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to income, sales and payroll taxes, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations;
- Enquiries of management regarding known or suspected instances of fraud; and
- Testing a selection of journal entries which meet defined criteria such as: unusual account combinations, postings by unusual users or journal entries with unusual words in the description.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

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.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Stuart Macdougall (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

30 November 2021

**AGILISYS LIMITED**

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
Turnover	4	115,702	105,385
Cost of sales		(92,027)	(92,542)
<b>Gross profit</b>		<b>23,675</b>	<b>12,843</b>
Administrative expenses		(12,208)	(9,313)
Exceptional items	11	(1,352)	(1,437)
<b>Operating profit</b>	5	<b>10,115</b>	<b>2,093</b>
Interest payable and similar expenses	9	(22)	(32)
<b>Profit before tax</b>		<b>10,093</b>	<b>2,061</b>
Tax on profit	10	(1,193)	(334)
<b>Profit for the financial year</b>		<b>8,900</b>	<b>1,727</b>
<b>Other comprehensive (expense)/income for the year</b>			
Unrealised (deficit)/surplus on revaluation of investments		(150)	3,644
<b>Other comprehensive (expense)/ income for the year</b>		<b>(150)</b>	<b>3,644</b>
<b>Total comprehensive income for the year</b>		<b>8,750</b>	<b>5,371</b>

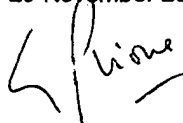
The notes on pages 19 to 40 form an integral part of these financial statements.

**AGILISYS LIMITED**  
**REGISTERED NUMBER: 04327369**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	12	777	935
Tangible assets	13	749	898
Investments	14	4,113	4,263
		<u>5,639</u>	<u>6,096</u>
<b>Current assets</b>			
Stocks		141	-
Debtors: amounts falling due within one year	15	127,752	97,908
Cash at bank and in hand	16	10,064	10,443
		<u>137,957</u>	<u>108,351</u>
Creditors: amounts falling due within one year	17	(95,020)	(74,170)
<b>Net current assets</b>		<u>42,937</u>	<u>34,181</u>
<b>Total assets less current liabilities</b>		<u>48,576</u>	<u>40,277</u>
Creditors: amounts falling due after more than one year	18	(338)	(789)
<b>Net assets</b>		<u><u>48,238</u></u>	<u><u>39,488</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	2,000	2,000
Share premium account	22	4,600	4,600
Revaluation reserve	22	3,854	4,004
Profit and loss account	22	37,784	28,884
<b>Total equity</b>		<u><u>48,238</u></u>	<u><u>39,488</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 November 2021.

  
**Gabriel Pirona**  
 Director

The notes on pages 19 to 40 form an integral part of these financial statements.

**AGILISYS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
<b>At 1 April 2019</b>	<b>2,000</b>	<b>4,600</b>	<b>360</b>	<b>27,157</b>	<b>34,117</b>
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	1,727	1,727
Gain on revaluation of investments in subsidiary undertakings	-	-	3,644	-	3,644
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>3,644</b>	<b>1,727</b>	<b>5,371</b>
<b>At 31 March 2020</b>	<b>2,000</b>	<b>4,600</b>	<b>4,004</b>	<b>28,884</b>	<b>39,488</b>
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	8,900	8,900
Loss on revaluation of investments in subsidiary undertakings	-	-	(150)	-	(150)
<b>Total comprehensive (expense)/income for the year</b>	<b>-</b>	<b>-</b>	<b>(150)</b>	<b>8,900</b>	<b>8,750</b>
<b>At 31 March 2021</b>	<b>2,000</b>	<b>4,600</b>	<b>3,854</b>	<b>37,784</b>	<b>48,238</b>

The notes on pages 19 to 40 form an integral part of these financial statements.

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## AGILISYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. General information

Agilisys Limited provides business process outsourcing, IT services, digital transformation and a suite of complementary digital products throughout the UK.

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is Scale Space, 2nd Floor, Imperial College White City Campus, 58 Wood Lane, London W12 7RZ, United Kingdom.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in compliance with the 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 3).

The Company is a subsidiary of Agilisys Holdings Limited and is included in the consolidated financial statements of Agilisys Group Holdings Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS102:

- Section 3 Financial Statement Presentation paragraph 3.17(d)
- Section 7 - Statement of Cash Flows
- Paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26 (in relation to those cross referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A
- Section 33.1A - Related Party disclosure exemptions

This information is included in the consolidated financial statements of Agilisys Group Holdings Limited for the year ended 31 March 2021, which are publicly available.

The Company has adopted a disclosure exemption from the requirement to present a Statement of Cash flows and related notes as a consolidated statement of cash flows is prepared by the parent company and also exemption from disclosing related party transactions who are 100% wholly owned.

The following principal accounting policies have been applied consistently:

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## AGILISYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.2 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.

The Directors of the parent company, Agilisys Group Holdings Limited have assessed the working capital needs of the Group 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 22% for the next 12 months from the date of signing the financial statements and a default of 10% of trade debtors. In this severe but plausible downside scenario, the Group would continue to generate cash and meet its banking covenants.

During the Covid-19 pandemic, the Group has not been adversely affected, neither in its trading results nor its liquidity. Most of the Group's business is through long term contracts with public sector bodies who have continued to deliver services to citizens. The Group has been able to meet its contractual obligations through the implementation of home-working. Customers have continued to pay their invoices on time and in accordance with contractual terms.

On the basis that most of the Group's revenue comes from long term contracts with public sector bodies, this severe but plausible scenario is highly unlikely.

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## AGILISYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.3 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 is 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.

##### 2.4 Operating leases: the Company as lessee

Leases that do not transfer all of the risks and rewards of ownership are classified as operating leases.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

##### 2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.6 Interest receivable and similar income

Interest income is recognised in profit or loss using the effective interest method.

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## AGILISYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.7 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.

##### 2.8 Interest payable and similar expenses

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.9 Borrowing costs

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

##### 2.10 Employee benefits

###### Defined contribution pension plan

The Company participates in a defined benefit pension scheme on behalf of its employees. The Company's involvement in the scheme arises from contracts with customers involving the TUPE (Transfer of Undertakings (Protection of Employment) Regulations) transfer of staff to the Company at the commencement of the customer relationship. The Company is only responsible to make contributions during the contracts. At the end of the contracts the obligations in relation to these pension schemes will cease and will transfer to the following supplier. As a result the Company has accounted for these schemes as defined contribution pension schemes with the contribution being charged to the profit and loss account in the year to which they relate.

##### 2.11 Share capital

Ordinary shares are classified as equity.

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## AGILISYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.12 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 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.

##### (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 and 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. Current or deferred taxation assets and liabilities are not discounted.

##### 2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence. These are disclosed separately to provide further understanding of the underlying financial performance of the Company (see note 11).

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## AGILISYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.14 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life should not exceed five years.

##### **Pre contract costs**

Directly attributable costs incurred, after achieving preferred bidder status or when it is highly probable or reasonably certain the contract will be won, are capitalised on the balance sheet as an intangible fixed asset.

These costs are subsequently amortised on a straight line basis over the period of the contract in question. The carrying value of such assets are reviewed for impairment at the end of the first full financial year following the award of the contract and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### **Software development cost**

Software development costs are capitalised and amortised over the period over which benefit will be derived from these assets. Software development costs are amortised over a 5 year period.

These assets are reviewed for impairment if the above factors indicate that the carrying amount maybe impaired. Amortisation is charged to administrative expenses in the Statement of Comprehensive Income.

##### **Licence costs**

Licence costs are capitalised and amortised over the period over which benefit will be derived from those assets. Licence costs are amortised on a straight line basis over a period between 2 to 3 years.

##### 2.15 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.

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## AGILISYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.15 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% to 50%
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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.

##### 2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.17 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.

##### 2.18 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.

##### 2.19 Cash and cash equivalents

Cash and cash equivalents includes 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.

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## AGILISYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.20 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.

##### 2.21 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.

##### 2.22 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 accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. As per sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 assets and liabilities are offset and the net amount reported in the Statement 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.

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**3. 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. There have been no significant judgements or estimates applied to these financial statements.

**4. Turnover**

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
The turnover for the year is attributable to the principal activity of the company and is generated from a single class of business - IT Digital Services	<b>115,702</b>	<b>105,385</b>
	<b>115,702</b>	<b>105,385</b>

All turnover arose within the United Kingdom.

**5. Operating profit**

The operating profit is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	<b>327</b>	<b>407</b>
Amortisation of intangible assets	<b>531</b>	<b>460</b>
Operating lease rentals	<b>1,195</b>	<b>777</b>

**6. Auditors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Fees payable to the Company's auditors and their associates in respect of:</b>		
The auditing of financial statements of associates of the Company pursuant to legislation	<b>45</b>	<b>40</b>
	<b>45</b>	<b>40</b>

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**7. Employees**

Staff costs were as follows:

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Wages and salaries	46,531	39,609
Social security costs	5,086	4,120
Other pension costs	4,560	4,071
	<u>56,177</u>	<u>47,800</u>

Costs above reflects wages and salaries incurred before recharges made to group entities.

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2021</b> <b>No.</b>	<b>2020</b> <b>No.</b>
Management, technical and administrative	<u>1,050</u>	<u>1,023</u>

**8. Directors' remuneration**

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Directors' emoluments	619	512
Company contributions to defined contribution pension schemes	17	6
	<u>636</u>	<u>518</u>

The highest paid director received remuneration of £347,000 (2020 - £340,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to ENIL (2020 - £6,000).

**9. Interest payable and similar expenses**

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Other loan interest payable	22	24
Bank overdraft interest payable	-	8
	<u>22</u>	<u>32</u>

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**10. Tax on profit**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>1,409</b>	<b>415</b>
Adjustments in respect of previous periods	<b>166</b>	<b>-</b>
<b>Total current tax</b>	<b>1,575</b>	<b>415</b>
<b>Deferred tax</b>		
Timing differences due to capital allowances	<b>-</b>	<b>1</b>
Other timing differences	<b>(26)</b>	<b>(36)</b>
Adjustments in respect of previous periods	<b>(356)</b>	<b>(46)</b>
<b>Total deferred tax</b>	<b>(382)</b>	<b>(81)</b>
<b>Taxation on profit</b>	<b>1,193</b>	<b>334</b>

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AGILISYS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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10. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit before tax	10,093	2,061
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,918	392
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	48	40
Adjustments in respect of previous periods	(191)	(46)
Enhanced expenditure on capitalised R&D items	-	(19)
Group relief	(582)	(33)
Total tax charge for the year	1,193	334

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**10. Tax on profit (continued)**

**Factors that may affect future tax charges**

The tax rate for the current year is the same as the prior year, due to changes in the UK Corporation tax rate, which decreased from 20% to 19% from 1 April 2017. In the Spring Budget 2020, the Government announced that from 1 April 2020 the Corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. In March 2021, the UK Government announced a further increase in tax rate of up to 25% that will come into effect from 1 April 2023. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**11. Exceptional items**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Advisory, professional services and other costs	<b>275</b>	<b>535</b>
Other restructuring, refinancing and loan costs	<b>340</b>	<b>902</b>
Decommissioning costs and property closure	<b>737</b>	<b>-</b>
	<b>1,352</b>	<b>1,437</b>

During the year, exceptional costs relating to advisory and professional fees of £275,000 (2020: £535,000) were incurred. In addition the Company incurred other exceptional restructuring, refinancing and loan costs of £340,000 (2020: £902,000) which relate to the restructure of certain business activities and include professional fees in relation to the Agilisys Group restructure. Decommissioning costs are in relation to the cessation of "Infrastructure as a Service" activities, the hosting platform for Agilisys and its clients applications.

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**12. Intangible assets**

	Licences £000	Software- development £000	Total £000
<b>Cost</b>			
At 1 April 2020	1,205	2,891	4,096
Additions	-	5	5
Intra-group transfers	368	-	368
Disposals	(1,204)	(1,730)	(2,934)
At 31 March 2021	<u>369</u>	<u>1,166</u>	<u>1,535</u>
<b>Accumulated amortisation</b>			
At 1 April 2020	1,173	1,988	3,161
Charge for the year on owned assets	31	500	531
On disposals	(1,204)	(1,730)	(2,934)
At 31 March 2021	<u>-</u>	<u>758</u>	<u>758</u>
<b>Net book value</b>			
At 31 March 2021	<u>369</u>	<u>408</u>	<u>777</u>
At 31 March 2020	<u>31</u>	<u>904</u>	<u>935</u>

During the course of financial year ending 31 March 2021, it was identified that there were a large number of intangible assets which were fully amortised and were no longer in use. These assets have been cleared down in these financial statements and have been treated as disposals.

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AGILISYS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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**13. Tangible assets**

	<b>Computer equipment £000</b>
<b>Cost or valuation</b>	
At 1 April 2020	5,389
Transfers intra group	800
Disposals	(4,087)
At 31 March 2021	<u>2,102</u>
<b>Accumulated depreciation</b>	
At 1 April 2020	4,491
Charge for the year on owned assets	327
Transfers intra group	622
Disposals	(4,087)
At 31 March 2021	<u>1,353</u>
<b>Net book value</b>	
At 31 March 2021	<u>749</u>
At 31 March 2020	<u>898</u>

During the course of financial year ending 31 March 2021, it was identified that there were a large number of tangible assets which were fully depreciated and were no longer in use. These assets have been cleared down in these financial statements and have been treated as disposals.

# AGILISYS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 14. Investments

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 April 2020	4,263
Revaluations	(150)
At 31 March 2021	<u>4,113</u>

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Agilisys Managed Services Limited	Scale Space, 2nd Floor, Imperial College White City Campus, 58 Wood Lane, London. W12 7RZ	Provision of information technology services for and on behalf of its customers in the private sector	Ordinary	100%
Quickheart Limited	As above	Provision of digitally enhanced social care solutions	Ordinary	100%
H&F Bridge Partnership Limited	As above	Provision of IT managed services and Business Process Outsourcing to the London Borough of Hammersmith and Fulham	Ordinary	80.1%
Elevate East London LLP	As above	Provision of professional services, business process outsourcing and outsourced customer solutions	Ordinary	80%
Agilisys Guernsey Limited	PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB	Provision of professional services, business process outsourcing and outsourced customer solutions	Ordinary	100%
Agilisys Guernsey Transfer Limited	PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB	Provision of staff to Agilisys Guernsey Ltd	Ordinary	100%

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**15. Debtors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	6,090	4,905
Amounts owed by group undertakings	112,704	85,131
Deferred taxation	641	148
Tax recoverable	176	-
Prepayments and accrued income	8,141	7,724
	<u>127,752</u>	<u>97,908</u>

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

**16. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	10,064	10,443
Less: bank overdrafts	-	(530)
	<u>10,064</u>	<u>9,913</u>

**17. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	-	530
Trade creditors	5,610	3,547
Amounts owed to group undertakings	57,465	48,241
Corporation tax	-	105
Other taxation and social security	7,909	6,245
Obligations under finance lease and hire purchase contracts	451	451
Other creditors	700	577
Accruals and deferred income	22,885	14,474
	<u>95,020</u>	<u>74,170</u>

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**18. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Obligations under operating leases	338	789
	<u>338</u>	<u>789</u>

**19. Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Cash and cash equivalents	10,064	10,443
Trade debtors	6,090	4,905
Accrued income	5,232	7,724
Amounts owed by group undertakings	112,704	85,131
	<u>134,090</u>	<u>108,203</u>
<b>Financial liabilities</b>		
Bank loans and overdrafts	-	(530)
Finance leases	(338)	(1,241)
Trade creditors	(5,610)	(3,547)
Accruals	(9,810)	(7,050)
Amounts due to group undertakings	(57,465)	(48,241)
Other creditors	(700)	(577)
	<u>(73,923)</u>	<u>(61,186)</u>

**20. Deferred taxation**

	<b>2021</b>
	<b>£000</b>
At beginning of year	147
Credited to profit or loss	494
At end of year	<u>641</u>

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**20. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Other timing differences	<b>415</b>	<b>78</b>
Difference between taxation allowance and depreciation on fixed assets	<b>226</b>	<b>70</b>
	<b>641</b>	<b>148</b>

Deferred tax includes £112,000 of deferred tax asset transferred from other group companies.

**21. Called up share capital**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
200,000,000 (2020 - 200,000,000) Ordinary shares of £0.01 each	<b>2,000</b>	<b>2,000</b>

**22. Reserves**

**Share premium account**

The balance on the share premium reserve represents the amounts received in excess of the nominal value of the ordinary shares.

**Revaluation reserve**

The reserve represents the cumulative gains on the revaluation of investments held in subsidiary undertakings.

**Profit and loss account**

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

The Directors do not recommend the payment of dividends. Nil dividends were paid in the current year (2020 - £Nil)

**23. Contingent liabilities**

The Company has provided to the London Borough of Tower Hamlets through the normal course of business performance bonds and guarantees of £500,000 (2020 - £541,000). The Group does not expect any material financial loss to arise.

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**24. Pension commitments**

The company accounts for its pension arrangements as 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 statement of comprehensive income in the year was £4,560,000 (2020 - £4,071,000). The unpaid contributions outstanding at the year end are £392,000 (2020 - £353,000).

**25. Commitments under operating leases**

At the year end the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	<b>1,339</b>	<b>742</b>
Later than 1 year and not later than 5 years	<b>738</b>	<b>1,305</b>
Later than 5 years	<b>69</b>	<b>1,033</b>
	<b>2,146</b>	<b>3,080</b>

# AGILISYS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 26. Related party transactions

During the year transactions occurred between the Company and related parties. The table below sets out the transactions which occurred during the year and the amounts due to or from those related parties at the year end.

Related Party note	Note	Nature of Transactions	Year ended 31 March 2021	Amounts due from/(to)	Year ended 31 March 2020	Amounts due from/(to)
			Turnover/( Costs) £'000	as at 31 March 2021 £'000	Turnover/( Costs) £'000	as at 31 March 2020 £'000
Accelerate Business Networking Limited	3	IT and Consulting Services	-	-	1	-
Accelerate Digital Limited	3	IT Services	-	2	1	-
Accelerate Places Limited	3	Property Services	117	338	25	6
Accelerate People Ltd	3	Consulting Services	-	-	2	-
Accelerate Talent Ltd	3	Recruitment Services	-	-	-	1
Avado Learning Limited (formerly Floream Ltd)	3	Education provider	1	-	-	6
BC Arch Ltd	3	Apprentices provider	-	-	(9)	9
BC Foxtrot Limited	5	IT Equipment provider	20	5	(95)	51
BC Music Media Ltd	1	IT Services	2	-	-	-
BCI Management Services Ltd	6	Consulting Services	2	-	1	11
Blenheim Chalcot LTF Ltd	3	IT and Consulting Services	(93)	(20)	17	116
Blenheim Chalcot Mangement Ltd	3	Consulting Services	1	-	-	-
Hive Learning Limited (formerly Captured Software Limited)	1	Education provider	9	1	1	13
Contentive Digital Engagement	3	IT and Consulting Services	-	-	-	10
Foshpa Limited	1	IT Services	1	1	(46)	26
Liberis Ltd	3	IT Services	11	1	10	37
Modulr Ltd	6	Financial Services	113	3	23	108
Mortgage Power Limited	2	Financial Services	2	-	-	-
OakBrook Finance Ltd	2	IT Services	12	-	-	32
Salary Finance Limited	2	Financial Services	45	4	4	60
Stack Content Discovery Ltd	1	IT Services	-	-	-	5
<b>Total Revenue/Amounts due from Related Party</b>			<b>336</b>	<b>355</b>	<b>85</b>	<b>491</b>
<b>Total (Cost)/Amounts due to Related Party</b>			<b>(93)</b>	<b>(20)</b>	<b>(150)</b>	<b>-</b>

#### Notes:

- 1 - Related by virtue of having one common director being C S Mindenhall
- 2 - Related by virtue of having one common director being M K Badale
- 3 - Related by virtue of having common directors
- 4 - M K Badale and C S Mindenhall's wife have a material interest in the company
- 5 - C S Mindenhall and M K Badale are shareholders
- 6 - C S Mindenhall and M K Badale are directors of the parent company

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**AGILISYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**27. Post balance sheet events**

Since the year end, Company has continued to deal with the Covid-19 pandemic and the uncertainties that it has caused in economic outlook.

The impact of Covid-19 has no impact on the Company's critical estimates and judgements disclosed in the accounting policies in relation to the year ended 31 March 2021.

After the reporting date on 31 March 2021, there were no other events of special significance which may have a material effect on the financial position and performance of the Company.

**28. Controlling party**

The immediate parent company is Agilisys Professional Services 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 for these entities are available from:

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