

Registered number: 03789926

AGILISYS HOLDINGS LIMITED

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



AGILISYS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Charles Mindenhall Manoj Badale Andrew Mindenhall Ewan Stradling Thomas Drury Gabriel Pirona (appointed 1 July 2020)
Registered number	03789926
Registered office	Scale Space 2nd Floor Imperial College White City Campus 58 Wood Lane London W12 7RZ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

AGILISYS HOLDINGS LIMITED

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AGILISYS HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Agilisys Holdings Limited (the 'Group'), Strategic Report for the year ended 31 March 2021 is set out below.

Business review

The Group Income Statement and Statement of Comprehensive Income is shown on page 14. The Group Statement of Financial Position is shown on page 15.

The Directors consider the trading results of the Group to be positive especially given the competitive market it operates in and are confident that the Group 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. The Group is also benefiting from the first full year of its 10 year contract with The States of Guernsey. The Group is expected to continue to be profitable in the future.

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 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.

In July 2020, the Group carried out a refinancing exercise which involved entering into a loan agreement with Barclays for £20,000,000 which is repayable over 3 years at a fixed rate of 4.0%. This loan is secured by a charge over the Group's trading subsidiaries. This new loan allowed the early repayment of the Unitranche loan of £20,000,000 which was for a 6 year term that commenced on 1 April 2015 which was repayable in full on the termination date at a rate of LIBOR plus 7.5%.

This has significantly reduced borrowing costs in the year. During the year, £750,000 of the Barclays loan was repaid and the outstanding loan balance at 31 March 2021 was £19,250,000.

Principal risks and uncertainties

The Group operates a number of business process outsource and IT managed service contracts where service level agreements are committed to and where there is a financial risk if these service levels are not met. The Group has a robust review and escalation process to ensure that it continually operates within these agreed levels and should there be a breach, remedial action is taken before any business risk occurs to either the Group or its customer. In the current economic climate and reform environment as well as Brexit, many public sector customers are facing challenges that both create an opportunity for growth and risk over future spending levels.

Financial and other key performance indicators

The Directors track various financial key performance indicators (KPIs). The financial KPIs that are monitored on a monthly basis comprise of revenue, gross margin across the Group's managed services and digital transformation divisions, overhead expenditure, EBITDA, profit before taxation, net cash and operating cash flow conversion.

The Directors track various operational key performance indicators (KPIs). The operational KPIs that are monitored on a monthly basis comprise key service levels for systems and application availability time and service desk response times. Within our Contact division we track service levels against productive agent hours.

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

Financial risk management policy

The Group finances its operations by a combination of shareholders' funds and bank facilities and has a limited number of overseas operations. Therefore the Group'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 Group's cash balances;
- Liquidity risk – this is the risk that suitable funding for the Group's activities may not be available; and
- Foreign currency risk – risk that the Group may be subject to adverse exchange rate movements.

The Board approves the Group'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 Group'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 Group 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 Group faces a small exposure to currency risk as it has limited overseas operations and does not deem it necessary to hedge the exposure

Non-financial information

Environmental Matters

The Group 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 Group 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 Group aims to produce positive social outcomes to the communities served by our customers. The Group'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.

Respect for Human Rights

The Group'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 Group operates in is overwhelmingly male dominated, taking steps to close the gender pay gap

AGILISYS HOLDINGS LIMITED

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

is very important. This can only be achieved by addressing the gender imbalance and this continues to be one of our strategic 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 Group's Gender Gap Pay Report can be found on its web-site www.agilisys.co.uk.

Anti-bribery and Corruption Matters

The Group 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 Group's engagement with its key 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 Group with positive outcomes which help to create an environment to secure future prosperity for its stakeholders.


Section 172 Statement

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.

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



G Pirona
Director

AGILISYS HOLDINGS LIMITED

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

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

Directors' responsibilities statement

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

Company law requires the Directors to prepare audited consolidated financial statements for each financial year. Under that law the Directors have prepared the Group and Parent Company 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 Group and Parent Company and of the profit or loss of the Group and Parent 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 FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and to enable them to ensure that the audited consolidated financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and Parent 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 and minority interests, amounted to £7,288,000 (2020 - loss £56,146,000).

No dividends were proposed or paid during the financial year (2020: £nil). There are no plans for a final dividend.

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

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were

Charles Mindenhall
Manoj Badale
Andrew Mindenhall
Ewan Stradling
Thomas Drury
Gabriel Pirona (appointed 1 July 2020)

Political and charitable contributions

The Group has not made any political or charitable donations in this financial year (2020: £nil)

Future developments

The Group plans to continue to work with both new and existing customers to provide innovative digital solutions to allow them to improve services to citizens and to operate within cost constraints in the Public Sector.

The Group continues to build strong relationships with its customers with a view to being the number 1 digital services partner for UK public service providers and for the communities that rely on them.

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 will 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 Covid19 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 homeworking. 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 considered highly unlikely.

Financial risk management policy

The financial risk management policy is disclosed within the Strategic Report.

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

Engagement with stakeholders

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 include:

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 Group 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 Group is important.

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

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

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.

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 bi-monthly 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.

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

Disabled employees

It is the Group'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 Group as a whole.

The Group 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 Group. If members of staff become disabled the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Gender pay gap

In an industry that is overwhelmingly male dominated, taking steps to close the gender pay gap is very important to us. This can only be achieved by addressing the gender imbalance and this continues to be one of our priorities in 2021. In spite of a clear mandate over the last 2 years, we have not managed to achieve this. We continue to have pay disparity within our business, and we continue to face challenges in attracting women into senior roles.

There remains some rationale for this as many of our employees transferred into Agilisys from other organisations. We deliver 2 outsourced services: IT and Customer Services which in themselves have a gender imbalance. However, this does not mean that we are satisfied with the figures and we must continue to take action to improve them in the long term.

While we are aware that a gender pay gap still exists, we have several planned initiatives to ensure we continually reduce the gap including:

- we established our Diversity and Inclusion steering group
- we have increased our female apprentices by 50% in the last year. We know that bringing in lower paid employees will potentially increase the gender pay gap however, developing women into STEM careers will ensure that we are supporting more women to enter our profession
- we have introduced career pathways to ensure the route to senior roles is clear and transparent. This will take some time to work through, but has been a significant piece of work within our organisation
- 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 diversity in the tech workforce of the UK to one that better reflects the make-up of the communities we work in.

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

Streamlined Energy and Carbon Reporting

**UK Greenhouse gas emissions and energy use data for the
year 1 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 CO ₂ e		
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 CO ₂ e		
Office electricity consumption	75.83	192.24
Scope 3 (other indirect) emissions in metric tonnes CO ₂ e		
Business travel in employee owned vehicles	16.00	124.82
Total gross emissions in metric tonnes CO ₂ e	105.10	386.09
Intensity ratio Tonnes CO ₂ e per FTEE	0.10	0.38

*** Quantification and reporting methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines and 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

Directors' confirmation

Each of the persons who are Directors 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 and the Group'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 and the Group's auditors are aware of that information.

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

Post balance sheet events

Since the year end, the Group 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 Group'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 Group.

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.

Independent auditors

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

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



G Pirona
Director

Independent auditors' report to the members of Agilisys Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Agilisys Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2021 and of the group's profit, the company's loss and the group's cash flows 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 Group and Company Statements of Financial Position as at 31 March 2021; the Group Income Statement and Statement of Comprehensive Income, the Group and Company Statements of Changes in Equity and the Group Statement of Cash Flows 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 group 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 group's and 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 group's and 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 group and company and their 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 group's and 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 group or 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 group 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. 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 company 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 HOLDINGS LIMITED

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

	Note	2021 £000	2020 £000
Turnover	4	155,075	145,539
Cost of sales		(132,418)	(127,269)
Gross profit		<u>22,657</u>	<u>18,270</u>
Administrative expenses		(10,412)	(10,858)
Exceptional items	12	(1,726)	(61,037)
Operating profit/(loss)	5	<u>10,519</u>	<u>(53,625)</u>
Interest receivable and similar income	9	10	47
Interest payable and similar expenses	10	(1,496)	(2,083)
Profit/(loss) before taxation		<u>9,033</u>	<u>(55,661)</u>
Tax on profit/(loss)	11	(1,733)	(483)
Profit/(loss) for the financial year		<u><u>7,300</u></u>	<u><u>(56,144)</u></u>
Currency translation differences		51	(132)
Other comprehensive income/(expense) for the year		<u>51</u>	<u>(132)</u>
Total comprehensive income/(expense) for the year		<u><u>7,351</u></u>	<u><u>(56,276)</u></u>
Profit/(loss) for the year attributable to:			
Non-controlling interests		12	2
Owners of the parent Company		7,288	(56,146)
		<u>7,300</u>	<u>(56,144)</u>
Total comprehensive income/(expense) for the year attributable to:			
Non-controlling interest		12	2
Owners of the parent Company		7,339	(56,278)
		<u>7,351</u>	<u>(56,276)</u>

The notes on pages 22 to 54 form part of these financial statements.

AGILISYS HOLDINGS LIMITED
REGISTERED NUMBER: 03789926

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible Assets	14	2,013	2,688
Tangible assets	15	1,066	1,764
		3,079	4,452
Current assets			
Stocks	17	141	53
Debtors: amounts falling due within one year	18	63,780	64,192
Cash at bank and in hand	19	20,259	15,434
		84,180	79,679
Creditors: amounts falling due within one year	20	(50,219)	(48,485)
Net current assets		33,961	31,194
Total assets less current liabilities		37,040	35,646
Creditors: amounts falling due after more than one year	21	(17,588)	(23,545)
Net assets		19,452	12,101
Capital and reserves			
Called up share capital	25	240	240
Share premium account		35,129	35,129
Other reserves		49	49
Accumulated losses		(16,409)	(23,748)
Total equity attributable to owners of the parent		19,009	11,670
Non-controlling interests		443	431
Total equity		19,452	12,101

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 22 to 54 form part of these financial statements.

AGILISYS HOLDINGS LIMITED
REGISTERED NUMBER: 03789926

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	16	47,101	37,934
		<u>47,101</u>	<u>37,934</u>
Current assets			
Debtors: amounts falling due within one year	18	59,814	93,630
Cash at bank and in hand	19	2	121
		<u>59,816</u>	<u>93,751</u>
Creditors: amounts falling due within one year	20	(98,425)	(125,040)
Net current liabilities		<u>(38,609)</u>	<u>(31,289)</u>
Total assets less current liabilities		<u>8,492</u>	<u>6,645</u>
Creditors: amounts falling due after more than one year	21	(17,250)	(22,756)
Net liabilities		<u>(8,758)</u>	<u>(16,111)</u>
Capital and reserves			
Called up share capital	25	240	240
Share premium account		35,129	35,129
Revaluation reserve		19,321	10,154
Other reserves		49	49
Accumulated losses		(63,497)	(61,683)
Total equity		<u>(8,758)</u>	<u>(16,111)</u>

AGILISYS HOLDINGS LIMITED
REGISTERED NUMBER: 03789926

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

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 22 to 54 form part of these financial statements.

The Company has taken advantage of the exemption conferred by Section 408 of Companies Act 2006 from presenting its own Income Statement. The result after tax for the year was a loss of £1,814,000 (2020: loss £61,635,000).

AGILISYS HOLDINGS LIMITED

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

	Called up share capital £000	Share premium account £000	Other reserves £000	Accumulate d losses £000	Equity attributable to owners of parent £000	Non- controlling interests £000	Total equity £000
At 1 April 2020	240	35,129	49	(23,748)	11,670	431	12,101
Comprehensive income for the year							
Profit for the financial year	-	-	-	7,288	7,288	12	7,300
Currency translation differences	-	-	-	51	51	-	51
Total comprehensive income for the year	-	-	-	7,339	7,339	12	7,351
At 31 March 2021	240	35,129	49	(16,409)	19,009	443	19,452

The notes on pages 22 to 54 form part of these financial statements.

AGILISYS HOLDINGS LIMITED

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

	Called up share capital	Share premium account	Other reserves	Accumulate d losses	Equity attributable to owners of parent	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	240	35,129	49	32,530	67,948	429	68,377
Comprehensive (expense)/income for the year (Loss)/profit for the financial year	-	-	-	(56,146)	(56,146)	2	(56,144)
Currency translation differences	-	-	-	(132)	(132)	-	(132)
Other comprehensive expense for the year	-	-	-	(132)	(132)	-	(132)
Total comprehensive expense for the year	-	-	-	(56,278)	(56,278)	2	(56,276)
At 31 March 2020	240	35,129	49	(23,748)	11,670	431	12,101

The notes on pages 22 to 54 form part of these financial statements.

AGILISYS HOLDINGS LIMITED

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

	Called up share capital	Share premium account	Revaluation reserve	Other reserves	Accumulate d losses	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2020	240	35,129	10,154	49	(61,683)	(16,111)
Comprehensive expense for the year						
Loss for the financial year	-	-	-	-	(1,814)	(1,814)
Revaluation of investments in subsidiary undertakings	-	-	9,167	-	-	9,167
At 31 March 2021	240	35,129	19,321	49	(63,497)	(8,758)

The notes on pages 22 to 54 form part of these financial statements.

AGILISYS HOLDINGS LIMITED

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

	Called up share capital	Share premium account	Revaluation reserve	Other reserves	Accumulate d losses	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2019	240	35,129	4,894	49	(5)	40,307
Comprehensive (expense)/income for the year						
Loss for financial year	-	-	-	-	(61,635)	(61,635)
Currency translation differences	-	-	-	-	(43)	(43)
Impairment of investments in subsidiary undertakings	-	-	5,260	-	-	5,260
Other comprehensive income/(expense) for the year	-	-	5,260	-	(43)	5,217
Total comprehensive income/(expense) for the year	-	-	5,260	-	(61,678)	(56,418)
At 31 March 2020	240	35,129	10,154	49	(61,683)	(16,111)

The notes on pages 22 to 54 form part of these financial statements.

AGILISYS HOLDINGS LIMITED

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

1. General information

Agilisys Holdings Limited (the Company) and its subsidiaries (together "the Group") provides business process outsourcing, IT services, digital transformation and a suite of complementary digital products throughout the UK and overseas.

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

The preparation of Group and individual financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3).

As permitted in section 7 of FRS 102, the Group has taken advantage of the following disclosure exemptions in preparing these financial statements:

- 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

The Company has taken advantage of the exemption in Section 408 of the Companies Act from disclosing its individual profit and loss account. The Company has also taken advantage of related party exemptions and has not disclosed transactions with wholly owned subsidiaries.

The below principal accounting policies have been applied consistently.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.3 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 will 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 Covid19 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 homeworking. 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.

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Group and Company's functional and presentational currency is Sterling and denominated in £'000.

Transactions and balance

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'interest receivable and similar income or interest payable and expenses'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.5 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Consulting, Transformation and Platform

Revenue from Consulting, Transformation and Platform is recognised when all of the following conditions are satisfied:

- the Group has transferred the risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control where goods are sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction or contract;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- the stage of completion of a contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete a contract can be measured reliably.

Managed Services

Revenue from a contract to provide managed services is recognised in the period in which the services are provided.

Revenue from 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, revenue recognised is adjusted accordingly. The related costs of providing the service are recognised in the period in which they are incurred. Amounts invoiced in advance of services being performed are recognised in deferred income.

Revenue contingent on conditions outside of the control of Agilisys are only recognised when these conditions are met.

Provisions are made for any anticipated contract losses as soon as those losses are identified.

Where the Group enters into contracts with multiple elements, where those elements are separable, revenue is allocated to each element based on the relative fair values of those elements. Where the amounts are not separable or the fair values cannot be identified, revenue is recognised evenly over the period that the services are provided.

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Leases that do not transfer all 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 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.

2.8 Interest receivable and similar income

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

2.9 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.

2.10 Borrowing costs

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

2.11 Pensions

Defined contribution pension plan

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

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

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.12 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.13 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current or deferred taxation assets and liabilities are not discounted.

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group 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 Group (see note 12).

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.15 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 shall not exceed ten years.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Pre contract costs

A key part of the Group's activities is the process of bidding for and securing long term contracts. All bid costs incurred prior to achieving preferred bidder status are treated as an expense irrespective of the ultimate outcome of the bid. Directly attributable costs incurred after achieving preferred bidder status are held on the balance sheet as an intangible asset.

These costs are subsequently amortised on a straight line basis over the period of the contract. 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 costs

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.

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

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.

Licence costs

Licence costs are capitalised and amortised over the period over which benefit will be derived from those assets. Licence costs are amortised between a 2 to 3 year period.

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.16 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 Group 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 Group. 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.

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:

Leasehold improvements	- 10% - 25%
Office equipment	- 20% - 33.3%
Computer equipment	- 33.3% - 50%

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.

2.17 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 (CGU's). 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.

2.18 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.

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.19 Stocks

Stocks of computer equipment are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis of computer equipment.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.20 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.

2.21 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.

2.22 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.

2.23 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.

2.24 Provisions for liabilities

Provisions are recognised where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.25 Share capital

Ordinary shares are classified as equity. The balance of called up share capital represents the aggregate nominal value of all ordinary shares in issue.

2.26 Reserves

Share premium account

The balance on the share premium account represents the amounts received in excess of the nominal value of ordinary shares issued by the Company.

Revaluation reserve

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

(Accumulated losses)/Retained earnings

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

AGILISYS HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.27 Financial instruments

The Group 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. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income Statement.

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 Group 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

AGILISYS HOLDINGS LIMITED

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

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. The critical judgements and estimates that have been applied to these consolidated financial statements are set out below:

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

(i) Impairment of intangible assets (note 14)

The Group considers whether intangibles assets are impaired at each reporting date. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows..

4. Turnover

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

	2021 £000	2020 £000
Managed Services	98,899	99,929
Consulting, transformation and platforms	56,176	45,610
	<u>155,075</u>	<u>145,539</u>
	2021 £000	2020 £000
United Kingdom	118,037	129,988
States of Guernsey	37,038	15,551
	<u>155,075</u>	<u>145,539</u>

AGILISYS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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5. Operating profit/(loss)

The operating profit / (loss) is stated after charging / (crediting):

	2021 £000	2020 £000
Depreciation of tangible assets	711	1,082
Amortisation of intangible assets	1,048	1,021
Operating lease rentals	1,194	777
Defined contribution pension cost	5,260	5,386
	<u>5,260</u>	<u>5,386</u>

6. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Group's auditors' and its associates for the audit of the Group's annual accounts	90	60
	<u>90</u>	<u>60</u>
Fees payable to the Group's auditors' and its associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	91	110
Non audit fees	47	148
	<u>228</u>	<u>318</u>

AGILISYS HOLDINGS LIMITED

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

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Wages and salaries	51,958	49,607	-	-
Social security costs	5,539	5,085	-	-
Other pension costs	5,260	5,386	-	-
	<u>62,757</u>	<u>60,078</u>	<u>-</u>	<u>-</u>

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

	2021 No.	2020 No.
Sales, marketing, research and development and fulfilment	1,149	1,292
Administration and support	78	84
	<u>1,227</u>	<u>1,376</u>

The Company has no employees other than the Directors, who did not receive any remuneration (2020 - £NIL)

8. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	694	512
Company contributions to defined contribution pension schemes	19	6
	<u>713</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 £NIL (2020 - £6,000).

AGILISYS HOLDINGS LIMITED

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

9. Interest receivable and similar income

	2021 £000	2020 £000
Bank interest receivable	10	47
	10	47
	10	47

10. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	1,496	2,309
Gain on derivative financial instrument	-	(226)
	1,496	2,083
	1,496	2,083

11. Tax on profit/(loss)

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	1,699	597
Adjustments in respect of previous periods	139	(41)
	1,838	556
	1,838	556
Deferred tax		
Origination and reversal of timing differences	135	(88)
Adjustments in respect of prior periods	(240)	15
	(105)	(73)
	(105)	(73)
Taxation on profit	1,733	483
	1,733	483

AGILISYS HOLDINGS LIMITED

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

11. Tax on profit/(loss) (continued)

Factors affecting tax charge for the year

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

	2021 £000	2020 £000
Profit/(loss) before tax	9,033	(55,661)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,716	(10,576)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	47	11,740
Utilisation of tax losses	-	(5)
Higher/(lower) rate taxes on overseas earnings	69	(629)
Adjustments to tax charge in respect of prior periods	(99)	(26)
Short term timing difference leading to an increase (decrease) in taxation	-	(9)
Tax deduction arising from relief on software development costs	-	(19)
Tax deduction arising from exercise of employee options	-	7
Total tax charge for the year	1,733	483

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.

AGILISYS HOLDINGS LIMITED

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

12. Exceptional items

	2021	2020
	£000	£000
Advisory, professional services and other costs	648	535
Restructuring, refinancing and loan costs	340	60,502
Decommissioning costs and property closure	738	-
	1,726	61,037

Exceptional costs relating to advisory and professional fees of £648,000 (2020 - £535,000) were incurred in the year. The company also incurred exceptional corporate group restructuring costs of £340,000 (2020 - £60,106,000). Included in other restructuring, refinancing and loan costs are costs of restructuring certain business activities of £Nil (2020 - £101,000), a loan write-off of £Nil (2020 £125,000) and re-financing costs of £Nil (2020 - £170,000). Decommissioning costs are in relation to the cessation of "Infrastructure as a Service" activities, the hosting platform for Agilisys and its clients applications.

13. Parent company loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £1,814,000 (2020 - loss £61,635,000).

AGILISYS HOLDINGS LIMITED

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

14. Intangible assets

Group

	Licences £000	Software develop- ment and licence costs £000	Prepaid contract costs £000	Goodwill £000	Total £000
Cost					
At 1 April 2020	2,149	11,013	1,778	213	15,153
Additions	368	5	-	-	373
Disposals	(1,646)	(10,513)	(222)	(213)	(12,594)
At 31 March 2021	<u>871</u>	<u>505</u>	<u>1,556</u>	<u>-</u>	<u>2,932</u>
Accumulated Amortisation					
At 1 April 2020	1,648	10,290	313	213	12,464
Charge for the year on owned assets	488	382	178	-	1,048
On disposals	(1,646)	(10,513)	(222)	(213)	(12,594)
At 31 March 2021	<u>490</u>	<u>159</u>	<u>269</u>	<u>-</u>	<u>918</u>
Net book value					
At 31 March 2021	<u>381</u>	<u>346</u>	<u>1,287</u>	<u>-</u>	<u>2,014</u>
At 31 March 2020	<u>500</u>	<u>723</u>	<u>1,465</u>	<u>-</u>	<u>2,688</u>

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

AGILISYS HOLDINGS LIMITED

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

15. Tangible assets

Group

	Office equipment £000	Computer equipment £000	Leasehold improve- ments £000	Total £000
Cost or valuation				
At 1 April 2020	2,053	13,414	1,990	17,457
Additions	-	13	-	13
Disposals	(1,475)	(11,155)	(1,990)	(14,620)
At 31 March 2021	<u>578</u>	<u>2,272</u>	<u>-</u>	<u>2,850</u>
Accumulated Depreciation				
At 1 April 2020	1,625	12,079	1,990	15,694
Charge for the year on owned assets	26	684	-	710
Disposals	(1,475)	(11,155)	(1,990)	(14,620)
At 31 March 2021	<u>176</u>	<u>1,608</u>	<u>-</u>	<u>1,784</u>
Net book value				
At 31 March 2021	<u>402</u>	<u>664</u>	<u>-</u>	<u>1,066</u>
At 31 March 2020	<u>428</u>	<u>1,335</u>	<u>-</u>	<u>1,763</u>

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

AGILISYS HOLDINGS LIMITED

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

16. Investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2020	37,934
Revaluations	9,167
At 31 March 2021	47,101

AGILISYS HOLDINGS LIMITED

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

16. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Agilisys Services Holdings Limited	See note below	Intermediate holding company	Ordinary	100%
Agilisys B2C Limited	See note below	Intermediate holding company	Ordinary	100%
Agilisys B2B Limited	See note below	Intermediate holding company	Ordinary	100%
Agilisys Limited	See note below	Provision of IT services	Ordinary	40%
Agilisys Professional Services Limited	See note below	Provision of IT services	Ordinary	100%
Agilisys Managed Services Limited	See note below	Provision of IT services	Ordinary	100%
Agilisys Contact Services Limited	See note below	Provision of contact centre services	Ordinary	100%
Agilisys IT Services India PVT Limited	103/104, B Wing, Fulcrum, IA Sahar, IA Project Road, Andheri East, Mumbai-400059, India	Provision of services to the Group	Ordinary	100%
H&F Bridge Partnership Limited	See note below	Provision of IT services	Ordinary	80.1%
Elevate East London LLP	See note below	Provision of IT services	Ordinary	80%
Quickheart Limited	See note below	Provision of Digital solutions	Ordinary	100%
Agilisys Guernsey Limited	PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey GY1 3HB	Provision of IT services	Ordinary	100%
Agilisys Guernsey Transfer Limited	PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey GY1 3HB	Provision of IT services	Ordinary	100%

Registered Office of UK based subsidiaries above is :

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

AGILISYS HOLDINGS LIMITED

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

16. Investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 March 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Agilisys Services Holdings Limited	16,361	-
Agilisys B2C Limited	279	-
Agilisys B2B Limited	(1,000)	-
Agilisys Limited	48,236	8,900
Agilisys Professional Services Limited	28,700	482
Agilisys Managed Services Limited	270	-
Agilisys Contact Services Limited	(11,625)	(66)
Agilisys IT Services India PVT Limited	1,419	142
H&F Bridge Partnership Limited	2,198	1
Elevate East London LLP	20	45
Quickheart Limited	(739)	(3)
Agilisys Guernsey Limited	2,804	(1,807)
Agilisys Guernsey Transfer Limited	-	1,302

17. Stocks

	Group 2021 £000	Group 2020 £000
Computer equipment	141	53
	<u>141</u>	<u>53</u>

AGILISYS HOLDINGS LIMITED

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

18. Debtors amounts falling due within one year

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Trade debtors	9,586	6,857	-	-
Amounts owed by group undertakings	42,052	42,017	59,425	93,630
Other debtors	389	-	389	-
Deferred taxation	769	664	-	-
Prepayments and accrued income	10,763	14,427	-	-
Corporation Tax	221	227	-	-
	<u>63,780</u>	<u>64,192</u>	<u>59,814</u>	<u>93,630</u>

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

19. Cash at bank and in hand

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Cash at bank and in hand	20,259	15,434	2	121
	<u>20,259</u>	<u>15,434</u>	<u>2</u>	<u>121</u>

AGILISYS HOLDINGS LIMITED

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

20. Creditors: Amounts falling due within one year

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Bank loans and overdrafts	2,000	-	2,000	-
Trade creditors	7,714	5,977	-	-
Amounts owed to group undertakings	-	-	96,310	124,293
Taxation and social security	7,876	6,142	-	-
Obligations under finance lease and hire purchase contracts	451	451	-	-
Other creditors	772	699	-	-
Interest rate swap	-	188	-	188
Accruals and deferred income	31,406	35,028	115	559
	<u>50,219</u>	<u>48,485</u>	<u>98,425</u>	<u>125,040</u>

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

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

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Bank loans and overdrafts	17,250	22,756	17,250	22,756
Net obligations under finance leases and hire purchase contracts	338	789	-	-
	<u>17,588</u>	<u>23,545</u>	<u>17,250</u>	<u>22,756</u>

AGILISYS HOLDINGS LIMITED

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

22. Loans

Analysis of the maturity of loans is given below:

The loans outstanding at 31 March are set out below:

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Amounts falling due within one year				
Bank loans	2,000	-	2,000	-
Amounts falling due 2-5 years				
Bank loans	17,250	<i>22,756</i>	17,250	<i>22,756</i>
	19,250	<i>22,756</i>	19,250	<i>22,756</i>

Bank Loan

In July 2020, the Group carried out a refinancing exercise which involved entering into a loan agreement with Barclays for £20,000,000 which is repayable over 3 years at a fixed rate of 4.0%. This loan is secured by a charge over the Group's trading subsidiaries. This new loan allowed the early repayment of the Unitranche loan of £20,000,000 which was for a 6 year term that commenced on 1 April 2015 which was repayable in full on the termination date at a rate of LIBOR plus 7.5%.

Transaction costs associated with the Barclays loan have been prepaid and are being amortised over the the life of the instrument.

AGILISYS HOLDINGS LIMITED

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

23. Financial Instruments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Financial assets				
Cash and cash equivalents	20,259	15,434	2	121
Trade debtors	9,586	6,857	-	-
Accrued income	6,098	6,751	-	-
Amounts owed from group undertakings	42,052	42,017	59,425	93,630
	<u>77,995</u>	<u>71,059</u>	<u>59,427</u>	<u>93,751</u>
Financial liabilities				
Bank loans and overdrafts	(19,250)	(22,756)	(19,250)	(22,944)
Trade creditors	(7,714)	(5,977)	-	-
Accruals	(18,333)	(17,965)	(115)	(559)
Other creditors	(772)	(699)	-	-
Amounts owed to group undertakings	-	-	(96,310)	(124,293)
	<u>(46,069)</u>	<u>(47,397)</u>	<u>(115,675)</u>	<u>(147,796)</u>

AGILISYS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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24. Deferred taxation

Group

	2021 £000
At beginning of year	664
Credited to profit or loss	105
At end of year	769

The deferred tax asset is made up as follows:

	Group 2021 £000	Group 2020 £000
Accelerated capital allowances	460	320
Tax losses carried forward	-	172
Other timing differences	309	172
	769	664

Company

The Company has not recognised a deferred tax asset in the current or prior year and has an unrecognised deferred tax asset of £664,000 (2020: £664,000). The unrecognised deferred tax asset is based on historical carried forward losses and will only be recoverable if sufficient future profits arise in the entity.

AGILISYS HOLDINGS LIMITED

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

25. Share capital

Group and Company

	2021	2020
	£000	£000
Allotted, called up and fully paid		
96,019,423 (2020 - 96,019,424) Ordinary 'A' shares shares of £0.0025- each	240	240

AGILISYS HOLDINGS LIMITED

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

26. Share based payments

Share based payment charge

The charge to profit and loss for the year was £nil (2020: £nil).

Share option scheme

The parent of the Company currently operates two share option schemes under which grants of options may be made - the Agilisys Group Unapproved Share Option Scheme and the Agilisys Enterprise Management Incentive Scheme.

The Board of Directors of the parent company approve all grants under the share option schemes. Following the acquisition of the shares in the Company by, Agilisys Group Holdings Limited, all options in Agilisys Group Limited were cancelled and replaced with new options in Agilisys Group Holdings Limited. Outstanding share options are disclosed in the accounts of Agilisys Group Holdings Limited.

Details of the share options outstanding during the year are as follows:

	Weighted average exercise price (pence) 2021	Number 2021	<i>Weighted average exercise price (pence) 2020</i>	<i>Number 2020</i>
Outstanding at the beginning of the year	79	4,926,550	81	5,370,046
Granted during the year	-	-	-	-
Cancelled during the year	79	(4,926,550)	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	97	(443,496)
Outstanding at the end of the year	-	-	79	4,926,550
			2021	2020
Option pricing model used			N/a	N/a
Weighted average share price (pence)			N/a	N/a
Exercise price (pence)			N/a	N/a
Weighted average contractual life (years)			N/a	N/a
Expected volatility			N/a	N/a
Risk-free interest rate			N/a	N/a

AGILISYS HOLDINGS LIMITED

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

27. Contingent liabilities

Group

The Group has provided through the normal course of business performance bonds and guarantees of £1,314,000 (2020 - £1,047,000). The Group does not expect any material financial loss to arise from the performance bonds and guarantees.

As expected of a Group of the size and complexity of Agilisys periodically claims from other parties are received. We do not believe it is probable that any existing claims against the Group are likely to succeed and consequently no amounts are provided.

Company

The Company has provided through the normal course of business performance bonds and guarantees of £1,314,000 (2020 - £1,047,000). The Company does not expect any material financial loss to arise from the performance bonds and guarantees.

28. Pension commitments

Defined contribution schemes

The Group classifies all of its pension scheme arrangements as defined contribution schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The cost to the Group of the defined contribution schemes for the year was £5,260,000 (2020: £5,386,000). The amount outstanding at year end was £443,000 (2020: £446,000).

29. Commitments under operating leases

At 31 March, the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	1,339	756
Later than 1 year and not later than 5 years	739	1,314
Later than 5 years	69	1,033
	<u>2,147</u>	<u>3,103</u>

AGILISYS HOLDINGS LIMITED

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

30. Related party transactions

During the year, transactions occurred between the Group and related parties. The table below sets out a description of the relationship with each related party, the transactions which occurred during the year and amounts due to or from those related parties at the year end.

Related Party note	Note	Nature of Transactions	Year ended 31	Amounts due	Year ended 31	Amounts due
			March 2021	from/(to)	March 2020	from/(to)
			Turnover/(Costs)	As at 31 March	Turnover/(Costs)	As at 31
			£'000	2021 £'000	£'000	March 2020
						£'000
Accelerate Business Networking Limited	3	IT and Consulting Services	-	-	1	-
Accelerate Digital Limited	3	IT Services	-	2	(36)	-
Accelerate Places Limited	3	Property Services	573	338	480	394
Accelerate People Ltd	3	Consulting Services	-	-	(130)	-
Accelerate Talent Ltd	3	Recruitment Services	-	-	(29)	(8)
Avado Learning Limited	3	Education provider	7	0	16	2
BC Arch Ltd	3	Apprentices provider	-	-	9	(9)
BC Foxtrot Limited	5	IT Equipment provider	18	5	(102)	1
BC Hammersmith Property Ltd	3	Property Services	(640)	-	(1,601)	-
BC Music Media Ltd	1	IT Services	2	-	2	-
BCi Management Services Ltd	6	Consulting Services	3	-	12	1
Blenheim Chalcot LTF Ltd	3	IT and Consulting Services	(294)	(20)	(111)	23
Blenheim Chalcot Mangement Ltd	3	Consulting Services	(99)	-	2	3
BMS Finance AB Ltd	3	IT and Consulting Services	5	-	23	2
Hive Learning Limited	1	Education provider	9	1	13	1
Contentive Digital Engagement	3	IT and Consulting Services	-	-	10	-
Fospha Limited	1	IT Services	10	1	(24)	4
HCR Services Limited	1	Debt Collection Services	-	-	-	117
Liberis Ltd	3	IT Services	11	1	37	10
Modur Technology Ltd	6	Financial Services	112	4	107	23
Mortgage Power Limited	4	Financial Services	2	-	-	-
OakBrook Finance Ltd	2	IT Services	12	-	35	-
Salary Finance Limited	2	Financial Services	45	4	60	4
Stack Content Discovery Ltd	1	IT Services	-	-	5	-
Tranquil Capital Ltd	3	Financial Services	3	-	12	-
Total Revenue/Amounts due from Related Party			811	356	824	585
Total (Cost)/Amounts due to Related Party			(1,033)	(20)	(2,033)	(17)

Notes:

- 1 - Related by virtue of having one common director being C S Mndenhall
- 2 - Related by virtue of having one common director being MK Badale
- 3 - Related by virtue of having common directors
- 4 - C S Mndenhall and / or MK Badale are shareholders of parent company
- 5 - C S Mndenhall and MK Badale are directors of the parent company

31. Post balance sheet events

Since the year end, the Group has been dealing with the Covid-19 pandemic and the uncertainties that it has caused in economic outlook.

The impact of Covid-19 has not impact on the Group'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 Group.

AGILISYS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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32. Controlling party

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

The financial statements of Agilisys Group Limited can be found at:

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