

# REGISTRAR OF COMPANIES

Company Number 3900537

**I S Direct Limited**

**Directors' Report and Financial Statements**

**for the year ended 30 June 2007**

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## **I S Direct Limited**

### **Company information**

<b>Director</b>	B Hersh
<b>Secretary</b>	S Hersh
<b>Company number</b>	3900537
<b>Registered office</b>	80 Ryecroft Road Norbury London SW16 3EH
<b>Auditors</b>	Morris Palmer Limited Barttelot Court Barttelot Road Horsham West Sussex RH12 1DQ
<b>Business address</b>	1st Floor 330 Holborn Gate Highholborn London WC1 B7QT

## **I S Direct Limited**

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## **I S Direct Limited**

### **Directors' Report for the year ended 30 June 2007**

The directors present their report and the financial statements for the year ended 30 June 2007

#### **Principal activity**

The principal activity of the company is that of promoting and selling business to business software, which specialises in the network maintenance and control arena. The company signed a ten year contract to distribute Zen Metrics, a tool auditing large and small networks quickly and efficiently. On the 22nd November 2006 the company changed its name to I S Direct Limited

#### **Directors and their interests**

The directors who served during the year and their beneficial interests in the share capital of the company were as follows

RW Ricks	Resigned - 08/12/2005
P Datta	Resigned - 08/12/2005
B Hersh	Appointed - 08/12/2005
Mary Tovey	Resigned - 08/05/2007

#### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and

**I S Direct Limited**

**Directors' Report  
for the year ended 30 June 2007**

continued

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Morris Palmer Limited be reappointed as auditors of the company will be put to the Annual General Meeting

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the Board on 16 November 2007 and signed on its behalf by

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

**S Hersh  
Secretary**

## **I S Direct Limited**

### **Independent Auditors' Report to the Shareholders of I S Direct Limited**

We have audited the financial statements of I S Direct Limited for the year ended 30 June 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**I S Direct Limited**

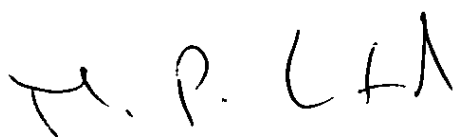
**Independent Auditors' Report to the Shareholders of I S Direct Limited continued**

**Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its loss and cash flows for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985 and

the information given in the Directors' Report is consistent with the financial statements for the year ended 30 June 2007

A handwritten signature in black ink, appearing to read 'M. P. L. H.', is positioned above the printed name of the auditors.

**Morris Palmer Limited  
Chartered Accountants and  
Registered Auditors**

**23 November 2007**

**Barttelot Court  
Barttelot Road  
Horsham  
West Sussex  
RH12 1DQ**

**I S Direct Limited**

**Profit and Loss Account  
for the year ended 30 June 2007**

		<b>Continuing operations</b>	
		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	1,340	36,709
Cost of sales		(1,490)	(28,823)
<b>Gross (loss)/profit</b>		(150)	7,886
Distribution costs		(2,545)	(6,182)
Administrative expenses		(4,259)	(58,732)
<b>Loss on ordinary activities before taxation</b>		(6,954)	(57,028)
Tax on loss on ordinary activities		-	-
<b>Loss for the year</b>		(6,954)	(57,028)
Accumulated loss brought forward		(1,227,811)	(1,170,783)
<b>Accumulated loss carried forward</b>		(1,234,765)	(1,227,811)

There are no recognised gains or losses other than the profit or loss for the above two financial years

**The notes on pages 8 to 11 form an integral part of these financial statements.**



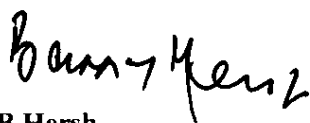
**I S Direct Limited**

**Balance Sheet  
as at 30 June 2007**

		<b>2007</b>		<b>2006</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>4</b>		1,287		3,862
<b>Current assets</b>					
Debtors	<b>5</b>	7,975		15,370	
Cash at bank and in hand		77		77	
		<u>8,052</u>		<u>15,447</u>	
<b>Creditors: amounts falling due within one year</b>	<b>6</b>	<u>(439,102)</u>		<u>(442,118)</u>	
<b>Net current liabilities</b>			<u>(431,050)</u>		<u>(426,671)</u>
<b>Deficiency of assets</b>			<u>(429,763)</u>		<u>(422,809)</u>
<b>Capital and reserves</b>					
Called up share capital	<b>7</b>		805,002		805,002
Profit and loss account			<u>(1,234,765)</u>		<u>(1,227,811)</u>
<b>Equity shareholders' funds</b>	<b>8</b>		<u>(429,763)</u>		<u>(422,809)</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies



**B Hersh  
Director**

**The notes on pages 8 to 11 form an integral part of these financial statements.**

**I S Direct Limited**

**Cash Flow Statement  
for the year ended 30 June 2007**

Notes	2007 £	2006 £
<b>Reconciliation of operating loss to net cash outflow from operating activities</b>		
Operating loss	(6,954)	(57,028)
Depreciation	2,575	2,575
(Increase) in stocks	-	21,439
Decrease in debtors	7,395	7,423
(Decrease) in creditors	(4,296)	12,393
<b>Net cash outflow from operating activities</b>	<u>(1,280)</u>	<u>(13,198)</u>
<b>Cash flow statement</b>		
<b>Decrease in cash in the year</b>	<u>(1,280)</u>	<u>(13,198)</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 10)</b>		
<b>Decrease in cash in the year</b>	(1,280)	(13,198)
<b>Net debt at 1 July 2006</b>	<u>(33,189)</u>	<u>(19,991)</u>
<b>Net debt at 30 June 2007</b>	<u>(34,469)</u>	<u>(33,189)</u>

# IS Direct Limited

## Notes to the Financial Statements for the year ended 30 June 2007

### 1. Accounting policies

#### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

#### 1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

#### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful economic life, as follows

Plant and machinery - 25% straight line

#### 1.4. Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold, gains on disposals of fixed assets which will be rolled over into replacement assets and earnings of overseas subsidiaries that are not intended to be remitted to the UK. No provision is made for taxation on permanent differences. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

### 3. Operating loss

	2007	2006
	£	£
Operating loss is stated after charging		
Depreciation and other amounts written off tangible assets	2,575	2,575
Auditors' remuneration	2,631	-

**I S Direct Limited**

**Notes to the Financial Statements  
for the year ended 30 June 2007**

continued

<b>4 Tangible fixed assets</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 July 2006	10,300	10,300
At 30 June 2007	10,300	10,300
<b>Depreciation</b>		
At 1 July 2006	6,438	6,438
Charge for the year	2,575	2,575
At 30 June 2007	9,013	9,013
<b>Net book values</b>		
At 30 June 2007	1,287	1,287
At 30 June 2006	3,862	3,862

<b>5. Debtors</b>	<b>2007 £</b>	<b>2006 £</b>
Trade debtors	2,216	11,353
Other debtors	1,156	212
Prepayments and accrued income	4,603	3,805
	7,975	15,370

# I S Direct Limited

## Notes to the Financial Statements for the year ended 30 June 2007

continued

<b>6. Creditors: amounts falling due within one year</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
Bank overdraft	34,546	33,266
Trade creditors	14,613	25,338
Amounts owed to group undertakings	368,593	313,539
Other taxes and social security costs	-	1,686
Directors' current accounts	-	31,211
Other creditors	-	400
Accruals and deferred income	21,350	36,678
	<u>439,102</u>	<u>442,118</u>
<b>7. Share capital</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
<b>Authorised equity</b>		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid equity</b>		
805,002 Ordinary shares of £1 each	<u>805,002</u>	<u>805,002</u>
<b>8. Reconciliation of movements in shareholders' funds</b>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
Loss for the year	(6,954)	(57,028)
Opening shareholders' funds	<u>(422,809)</u>	<u>(365,781)</u>
Closing shareholders' funds	<u>(429,763)</u>	<u>(422,809)</u>

**I S Direct Limited**

**Notes to the Financial Statements  
for the year ended 30 June 2007**

continued

**10. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	77	-	77
Overdrafts	(33,266)	(1,280)	(34,546)
	<u>(33,189)</u>	<u>(1,280)</u>	<u>(34,469)</u>
<b>Net funds</b>	<u><u>(33,189)</u></u>	<u><u>(1,280)</u></u>	<u><u>(34,469)</u></u>

**I S Direct Limited**

**Detailed Trading and Profit and Loss Account  
for the year ended 30 June 2007**

	2007		2006	
	£	£	£	£
<b>Sales</b>				
Sales		1,340		17,357
Rent receivable		-		18,343
Other income		-		1,009
		<u>1,340</u>		<u>36,709</u>
<b>Cost of sales</b>				
Opening stock	-		21,439	
Purchases	1,490		7,384	
	<u>1,490</u>		<u>28,823</u>	
		(1,490)		(28,823)
<b>Gross (loss)/profit</b>		<u>(150)</u>		<u>7,886</u>
<b>Distribution costs</b>	2,545		6,182	
<b>Administrative expenses</b>	<u>4,259</u>		<u>58,732</u>	
		(6,804)		(64,914)
<b>Operating loss</b>		<u>(6,954)</u>		<u>(57,028)</u>
		<u><u>          </u></u>		<u><u>          </u></u>

# I S Direct Limited

## **Distribution costs and administrative expenses for the year ended 30 June 2007**

	2007	2006
	£	£
<b>Distribution costs</b>		
Carriage outwards	(2,053)	1,525
Sales promotion & marketing	4,598	4,657
	<u>2,545</u>	<u>6,182</u>
<b>Administrative expenses</b>		
Wages and salaries	(16,051)	13,185
Commissions payable	-	141
Rent payable	(4,357)	5,381
Rates	-	215
Insurance	-	(767)
Light and heat	-	753
Repairs and maintenance	-	388
Printing, postage and stationery	604	635
Telephone	1,780	3,979
Motor expenses	-	400
Travelling and subsistence	13,669	8,672
Entertaining	269	1,058
Consultancy, Legal and professional	(13,542)	15,042
Accountancy	4,200	3,508
Bookkeeping	2,631	-
Bank charges	2,028	3,400
Credit card charges	1,287	167
Bad debts	9,137	-
General expenses	29	-
Depreciation on plant and machinery	2,575	2,575
	<u>4,259</u>	<u>58,732</u>