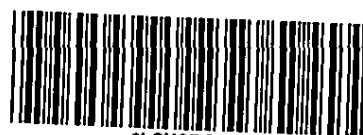


**I S DIRECT LIMITED
(FORMERLY DIGITAL CYBERMASTERS LIMITED)
FINANCIAL STATEMENTS
30 JUNE 2005**

AMENDED

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COMPANIES HOUSE

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

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I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 30 JUNE 2005

The board of directors	B Hersh S E Hersh
Company secretary	S E Hersh
Registered office	The Studio East Batterlaw Farm Hawthorn Seaham Co Durham SR7 8RP
Auditors	Tenon Audit Limited Registered Auditors Highfield Court Chandlers Ford Eastleigh Hampshire SO53 3TY
Bankers	Barclays Bank Plc Argyll House 23a Brook Street Kingston-upon-Thames Surrey KT1 2BN Natwest Bank Plc 43 Swan Street West Malling Kent ME19 6HF
Solicitors	Michael Simkins LLP 45 - 51 Whitfield Street London W1T 4HB
Accountants	CW Fellowes Ltd Templars House Lulworth Close Chandlers Ford Hampshire SO53 3TL

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2005

The directors present their report and the financial statements of the company for the year ended 30 June 2005.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND POST BALANCE SHEET EVENTS

The principal activities of the company are research, development and sales of software and hardware within in the electronic security (CCTV) market

The company was acquired by Digital Cybermasters Group Plc on 8 June 2004. The trading names of the company and its parent company were subsequently changed on 27 November 2006. The trading name of the company became I S Direct Limited, and the trading name of the parent company became Innovative Software Direct Plc. Normal trading activity ceased in 2006 with new trading opportunities being sought by the directors during the year.

Although turnover had increased by 76%, and gross profit by 167% from the previous year, by the balance sheet date, trading was minimal, and by October 2005, the company no longer had any employees actively involved in the principal trading activity. This occurred because the Company had tried to acquire Voltek Automation Limited. This would have provided a substantial infrastructure for the business. One week ahead of completion a major investor had pulled out by which time the Company had unwound its facilities in the South West in favour of relocating to Voltek's premises just outside Burnley in Lancashire. For that reason the Company was not trading by Autumn 2006 and was in the process of being restructured with a view to looking at injecting a business into it. Throughout Autumn 2005 and Spring 2006 the Company actively sought opportunities. The directors were not paid a salary for this work.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's operations expose it to a variety of financial risks that include the effects of changes in credit, liquidity and interest rate risk. The company, in conjunction with the parent company, has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set out by the board and agreed with the parent company are implemented by the company's finance department.

Credit risk

The company has implemented policies that require appropriate credit checks on customers before sales are made.

Liquidity risk

The company currently has no requirements for debt finance but maintains sufficient funds for operations.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2005

Interest rate cash flow risk

The company has interest bearing assets in the form of cash balances.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

B Hersh
S E Hersh
S Pocock
R W Ricks

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

According to the register required to be kept under Section 325 of the Companies Act 1985, no director held any interests in shares in the company at any time during the year. As permitted by statutory instrument, the directors are exempt from notifying the company of interests in shares in the ultimate holding company, which is incorporated outside Great Britain.

S Pocock retired as a director on 31 March 2005.

B Hersh was appointed as a director on 21 November 2005.

R W Ricks retired as a director on 21 November 2005.

Lady Mary Helen Tovey was appointed as a director on 21 November 2005 and resigned on 31 August 2007.

S E Hersh was appointed as a director on 29 June 2004, resigned on 21 November 2005 and was re-appointed on 2 January 2008.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are named on page 1. Having made enquiries of the company's auditors, the directors confirm that:

- To the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are not aware; and
- They have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2005

DIRECTORS' RESPONSIBILITIES

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 these financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 10 to 12, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

POST BALANCE SHEET EVENTS (in addition to those mentioned in the principal activities and business review section.)

The financial statements for the year ended 30 June 2005 have been re-prepared and re-audited after it was discovered that the previous auditor was not a Registered Auditor, and therefore was not qualified to sign the Auditors' Report. This resulted in the appointment of Tenon Audit Limited as of 22 April 2008. Although it is anticipated that these costs will be met by the previous auditors, for prudence, a charge of £3,750 has been included in the accounts in respect of this.

On 27 November 2006, the company changed its name from Digital Cybermasters Limited to I S Direct Limited. The parent company Digital Cybermasters Group Plc changed its name to Innovate Software Direct Plc on the same day.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

THE DIRECTORS' REPORT *(continued)*

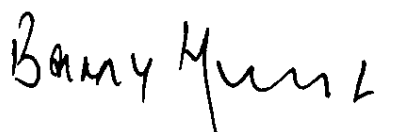
YEAR ENDED 30 JUNE 2005

AUDITORS

Morris Palmer Limited resigned as auditors on 15 April 2008. Tenon Audit Limited were appointed on 22 April 2008 as auditors retrospectively for prior periods from and including the period ended 30 June 2005. A resolution to reappoint Tenon Audit Limited for the year following appointment will be proposed at that annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
The Studio
East Batterlaw Farm
Hawthorn Seaham
Co Durham
SR7 8RP

Signed by order of the directors



B Hersh
Director

Approved by the directors on28 July 2009.....

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

YEAR ENDED 30 JUNE 2005

We have audited the financial statements of I S Direct Limited (formerly Digital Cybermasters Limited) on pages 8 to 18 for the year ended 30 June 2005. These financial statements have been prepared under the accounting policies set out therein. The financial statements as of 30 June 2004 were exempt from the requirement to be subject to audit and consequently no audit opinion was expressed on them.

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 on page 4 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

YEAR ENDED 30 JUNE 2005

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.

Opinion

In all other respects, in our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the company's affairs as at 30 June 2005 and of its loss 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.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 concerning the company's ability to continue as a going concern. The company incurred a net loss of £195,805 during the year ended 30 June 2005 and at that date the company had net liabilities of £387,901. Although there is continued support by its parent company, the financial statements indicated the existence of a material uncertainty which could cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



Tenon Audit Limited
Registered Auditors
Highfield Court
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Date:- 30 July 2009

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2005

	Note	2005 £	2004 £
TURNOVER	2	193,726	109,836
Cost of sales		(102,888)	(75,795)
GROSS PROFIT		90,838	34,041
Distribution costs		(54,137)	(24,023)
Administrative expenses		(230,127)	(155,006)
OPERATING LOSS	3	(193,426)	(144,988)
Interest receivable	6	—	4
Interest payable and similar charges	7	(2,379)	(1,136)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(195,805)	(146,120)
Tax on profit/(loss) on ordinary activities	8	—	—
LOSS FOR THE FINANCIAL YEAR		(195,805)	(146,120)

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 18 form part of these financial statements.

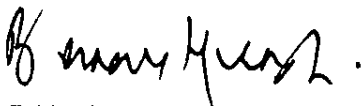
IS DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

BALANCE SHEET

30 JUNE 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	9	6,437	9,012
CURRENT ASSETS			
Stocks		7,372	9,999
Debtors	10	11,623	24,446
Cash at bank		50	1,725
		<u>19,045</u>	<u>36,170</u>
CREDITORS: Amounts falling due within one year	11	<u>(413,383)</u>	<u>(237,278)</u>
NET CURRENT LIABILITIES		<u>(394,338)</u>	<u>(201,108)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(387,901)</u>	<u>(192,096)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	805,002	805,002
Profit and loss account	15	(1,192,903)	(997,098)
DEFICIT	15	<u>(387,901)</u>	<u>(192,096)</u>

These financial statements were approved by the directors and authorised for issue on 28 July 2005 and are signed on their behalf by:



B Hersh
Director

The notes on pages 10 to 18 form part of these financial statements.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is dependent on the financial support of its parent company to continue trading. Innovative Software Direct Plc (formerly Digital Cybermasters Group Plc) and its directors have confirmed their intention to provide sufficient funds to enable the company to continue for a period of at least 12 months. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Related parties transactions

The company is a wholly owned subsidiary of Innovative Software Direct Plc, the consolidated financial statements of which are publicly available.

Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the Innovative Software Direct Plc group. See note 13 for details on other related party transactions.

Turnover

Turnover represents the amount derived from the provision of goods and services during the year (exclusive of value added tax).

Turnover is recognised on the transfer of the risks and rewards of ownership, usually upon the receipt of goods and services by customers.

Fixed assets

All fixed assets are initially recorded at cost, being purchase price.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% straight line
Equipment	- 25% reducing balance

Stocks

Stocks are valued at the lower of cost, being purchase price, and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks comprise finished goods in respect of electronic security products.

Deferred taxation

Provision is made in full for all taxation in respect of material timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluation 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.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest charged to the profit and loss account in proportion to the remaining balance outstanding. All other leases are "operating leases" and the annual rentals are charged to the profit and loss on a straight line basis over the lease term.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

1. ACCOUNTING POLICIES *(continued)*

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Financial instruments

The group does not trade in financial derivatives. Income and expenditure arising on financial instruments is recognised on an accruals basis and taken to the profit and loss account in the period to which it relates. Financial assets are recognised in the balance sheet at the lower of cost and net realisable value and provision is made for diminution in value.

2. TURNOVER

Turnover arises from the principal activities of the company and originates wholly within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

Operating loss is stated after charging:

	2005	2004
	£	£
Depreciation of owned fixed assets	2,575	1,288
Loss on disposal of fixed assets	—	44,538
Operating leases: rents of land and buildings	11,642	5,880
Auditors' remuneration	<u>3,750</u>	<u>—</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2005	2004
	No	No
The average monthly number of employees (including the director) during the year were:	<u>9</u>	<u>2</u>

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	105,422	11,250
Social security costs	6,878	2,414
	<u>112,300</u>	<u>13,664</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Aggregate emoluments	<u>34,028</u>	<u>—</u>

6. INTEREST RECEIVABLE

	2005	2004
	£	£
Bank interest receivable	<u>—</u>	<u>4</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Interest payable on bank borrowing	<u>2,379</u>	<u>1,136</u>

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2005	2004
	£	£
(a) Analysis of charge in the year:		
Corporation tax	<u>—</u>	<u>—</u>
(b) Factors affecting current tax charge:		
Loss on ordinary activities before taxation	(195,805)	(146,120)
Loss on ordinary activities by rate of tax 2005: 19% (2004: 19%)	(37,203)	(27,763)
Effects of:		
Expenses not deductible for tax purposes	54	16
Net impact of difference between capital allowances and depreciation charge	(3,765)	9,681
Unrelieved tax losses	40,914	18,066
	<u>—</u>	<u>—</u>

No provision has been made in the accounts as the company is loss making. The company has losses of £310,414 (2004 - £95,081) available to carry forward against future trading profits. No provision for deferred tax has been recognised in respect of these losses as their likely future economic benefits cannot be reliably estimated at the current time.

IS DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

9. TANGIBLE FIXED ASSETS

	Plant & Machinery £
COST	
At 1 July 2004 and 30 June 2005	<u>10,300</u>
DEPRECIATION	
At 1 July 2004	1,288
Charge for the year	<u>2,575</u>
At 30 June 2005	<u>3,863</u>
NET BOOK VALUE	
At 30 June 2005	<u>6,437</u>
At 30 June 2004	<u>9,012</u>

10. DEBTORS

	2005 £	2004 £
Trade debtors	3,314	22,946
Other debtors	646	1,500
Prepayments and accrued income	<u>7,663</u>	<u>—</u>
	<u>11,623</u>	<u>24,446</u>

11. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Bank overdraft	20,041	508
Trade creditors	34,906	58,892
Amounts owed to group undertakings	299,630	100,000
Other creditors including taxation and social security:		
Taxation and social security	1,953	427
Other creditors	<u>56,853</u>	<u>77,451</u>
	<u>413,383</u>	<u>237,278</u>

No security is given over the company's assets in respect of the bank overdraft.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

12. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2005 the company had aggregate annual commitments under non-cancellable operating leases relating to land and buildings as set out below.

	2005 £	2004 £
Operating leases which expire:		
Within 1 year	11,642	—
Within 2 to 5 years	—	11,642
After more than 5 years	—	—
	<u>11,642</u>	<u>11,642</u>

13. TRANSACTIONS WITH THE DIRECTORS AND RELATED PARTIES

The company has taken advantage of the exemption under FRS8 from disclosing related party transactions with entities that are part of the Innovative Software Direct Plc group.

During the year, the company entered into transactions, in the ordinary course of business, with other related parties who are not part of the Innovative Software Direct Plc group. Transactions entered into, and trading balances outstanding at 30 June, are as follows:

During the year, accountancy and consultancy fees were paid to A7 Business Accounting, the trading name of a company, being Fiscal Simplex Limited, that is controlled by S Pocock, a director of the company during the year, totalling £10,480 (2004: £5,166). At the balance sheet date there was an outstanding debtor balance of £2,400 (2004: £nil);

During the year, bookkeeping fees were paid to Bestbooks, a business controlled by the daughter of B Hersh, totalling £17,800 (2004: £662). At the balance sheet date there was an outstanding creditor balance of £2,400 (2004: £nil);

During the year, consultancy fees were paid to Goldsmiths, an entity controlled by S E Hersh, a director, totalling £33,697 (2004: £5,875). At the balance sheet date there was an outstanding creditor balance of £11,092 (2004: £nil);

During the year, rent was paid to D Ricks, the son of R Ricks, totalling £11,642 (2004: £928). At the balance sheet date there was an outstanding creditor balance of £1,873 (2004: £6,611).

During the year, website consultancy fees were paid to Aspect Group, an entity controlled by S Hersh, totalling £1,050. At the balance sheet date there was an outstanding creditor balance of £1,421.

At the year end £49,620 (2004: £35,832) was owed to R Ricks, a former director of the parent company during the year. There is no interest accruing on this balance.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

14. SHARE CAPITAL

Authorised share capital:

	2005 £	2004 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2005 £	2004 £
Ordinary shares of £1 each	<u>805,002</u>	<u>805,002</u>

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total share- holders' funds £
Balance brought forward as at 1 July 2003	805,002	(850,978)	(45,976)
Loss for the year ended 30 June 2004	—	(146,120)	(146,120)
Balance brought forward as at 1 July 2004	805,002	(997,098)	(192,096)
Retained loss for the year ended 30 June 2005	—	(195,805)	(195,805)
Balance carried forward as at 30 June 2005	<u>805,002</u>	<u>(1,192,903)</u>	<u>(387,901)</u>

16. POST BALANCE SHEET EVENTS

With effect from 31 October 2005, the company permanently ceased its trading activities.

The financial statements for the year ended 30 June 2005 were re-prepared and re-audited, after it was discovered that the previous Responsible Individual was not a Registered Auditor, and therefore not qualified to sign the Auditors' Report. This resulted in the appointment of Tenon Audit Limited as of 22 April 2008.

On 27 November 2006, the company changed its name from Digital Cybermasters Limited to I S Direct Limited. The parent company Digital Cybermasters Group Plc changed its name to Innovate Software Direct Plc on the same day.

I S DIRECT LIMITED (FORMERLY DIGITAL CYBERMASTERS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

17. ULTIMATE PARENT COMPANY

The immediate and ultimate parent undertaking is Innovative Software Direct Plc, a company registered in England and Wales which is listed on the PLUS markets exchange. Copies of Innovative Software Direct Plc consolidated financial statements can be obtained from the Company Secretary at The Studio, East Batterlaw Farm, Hawthorn Seaham, Co Durham. SR7 8RP.

The company is controlled by the board of directors of its parent undertaking, Innovative Software Direct Plc.