

Company Registration No. 3441816

**IForce Limited**

**Report and Financial Statements**

**31 December 2003**



**IForce Limited**

**REPORT AND FINANCIAL STATEMENTS 2003**

**CONTENTS**

**Page**

<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the accounts</b>	<b>7</b>

# **IForce Limited**

## **REPORT AND FINANCIAL STATEMENTS 2003**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

D Birnbaum (resigned 19 July 2004)  
J Solomon

#### **SECRETARY**

J Solomon (resigned 4 May 2004)  
P Ellis (appointed 4 May 2004)

#### **REGISTERED OFFICE**

Imber Court Business Park  
Orchard Lane  
East Molesey  
Surrey  
KT8 0BZ

#### **BANKERS**

The Royal Bank of Scotland plc  
London City Office  
62-63 Threadneedle Street  
London  
EC2R 8LA

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Reading

## **IForce Limited**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

#### **PRINCIPAL ACTIVITIES**

The company is principally engaged in providing fulfilment services including database management, e-commerce, internet services, stock management and also telephone and mail response handling for a wide range of clients

#### **RESULTS AND DIVIDENDS**

There was a loss for the year after taxation amounting to £3,377,147 (2002: loss of £2,789,406).

The directors do not recommend the payment of a dividend for the year (2002: £nil).

#### **REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

The company expects to continue to grow at a rapid rate with growth coming from existing as well as new clients.

#### **SUBSEQUENT EVENTS – GROUP RESTRUCTURING**

On 1 January 2004 the immediate parent company, IForce Holdings Limited, performed a share for share exchange in which it transferred its entire share holding in IForce Limited to Tablogix Holdings Limited in exchange for a 35% shareholding in Tablogix Holdings Limited. As a result of this transaction, all intercompany debt between IForce Limited and IForce Holdings was cancelled.

#### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and to date are detailed on page 1.

The directors who held office at 31 December 2003 held the following shares in the immediate parent company, IForce Holdings Limited :

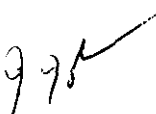
	<b>C Preference Shares</b>	
	<b>31 December 2003</b>	<b>31 December 2002</b>
J Solomon	22,070	-
D Birnbaum	44,140	-

The directors held no shares in IForce Limited.

#### **AUDITORS**

A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



J Solomon

Director

21 December 2004

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 as at the end of the financial year 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IFORCE LIMITED**

We have audited the financial statements of IForce Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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.

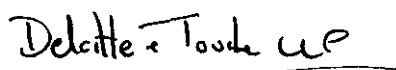
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

### **Going concern – fundamental uncertainty**

In forming our opinion, we have considered the adequacy of the disclosures regarding going concern made in note 1 of the financial statements. In view of the significance of this uncertainty, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Reading

21 December 2004

**IForce Limited****PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2003**

	Note	2003 £	2002 £
<b>TURNOVER</b>		12,792,271	11,054,808
Cost of sales		<u>(9,073,971)</u>	<u>(7,743,902)</u>
<b>GROSS PROFIT</b>		3,718,300	3,310,906
Administrative expenses		<u>(6,728,209)</u>	<u>(5,700,485)</u>
<b>OPERATING LOSS</b>	2	(3,009,909)	(2,389,579)
Other interest receivable and similar income	4	12,254	22,565
Interest payable and similar charges	5	<u>(379,492)</u>	<u>(422,392)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION BEING RETAINED LOSS FOR THE YEAR</b>	15	<u>(3,377,147)</u>	<u>(2,789,406)</u>

The statement of total recognised gains and losses has not been presented as there are no recognised gains or losses other than the loss for each year as shown above.

All transactions arise from continuing operations.

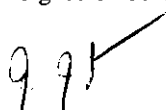
**IForce Limited**

**BALANCE SHEET**  
**31<sup>st</sup> December 2003**

	Note	2003 £	2002 £
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>1,764,126</u>	<u>1,830,145</u>
<b>CURRENT ASSETS</b>			
Stocks	8	41,415	18,444
Debtors - due within one year	9	2,453,542	2,790,370
- due after one year	9	504,397	445,550
Cash at bank and in hand		-	438,758
		<u>2,999,354</u>	<u>3,693,122</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(6,559,773)</u>	<u>(3,908,700)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,560,419)</u>	<u>(215,578)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(1,796,293)</u>	<u>1,614,567</u>
<b>CREDITORS: amounts falling due after more than one year</b>	11	<u>(4,517,176)</u>	<u>(4,550,889)</u>
<b>NET LIABILITIES</b>		<u>(6,313,469)</u>	<u>(2,936,322)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	2,000,001	2,000,001
Share premium account	15	3,070,740	3,070,740
Profit and loss account	15	<u>(11,384,210)</u>	<u>(8,007,063)</u>
<b>SHAREHOLDERS' DEFICIT</b>	16	<u>(6,313,469)</u>	<u>(2,936,322)</u>
<b>SHAREHOLDERS' DEFICIT MAY BE ANALYSED AS</b>			
Equity interests		<u>(9,384,210)</u>	<u>(6,007,063)</u>
Non-equity interests		<u>3,070,741</u>	<u>3,070,741</u>
		<u>(6,313,469)</u>	<u>(2,936,322)</u>

These financial statements were approved by the Board of Directors on 21 December 2004

Signed on behalf of the Board of Directors

  
J Solomon

Director



**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2003**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Going concern**

The company continues to focus its efforts on growing the business in existing and new markets.

The directors have prepared projected cash flow information for the current financial year and the following financial year (a period of 12 months from the date of approval of these financial statements). This cash flow has been prepared on the assumption that there will be no loss of any existing clients and a small increase in operating margin, none of which are certain. The directors intend to fill existing available warehouse space as a result of new business as well as maintain and improve existing client relationships, which will continue to improve results.

On the basis of this cash flow information, the directors have formed a judgement at the time of approving the financial statements that the increase in cash inflow which will be generated as a result of developing the existing business and additional client wins will be sufficient to meet the forecast liabilities of the company as they fall due. In the event that these cash inflows are less than forecast, the company's existing cash resources may be inadequate to meet the forecast liabilities of the company as they fall due. However the directors believe that the forecast cash flows will be achieved, so on this basis they consider it appropriate to prepare the financial statements on the going concern basis.

The financial statements do not include any adjustments that would result in the event that the company were unable to meet its liabilities as they fall due. In the event that the going concern basis is not applicable and in accordance with generally accepted accounting policies, adjustment would have to be made to the accounts to restate the value of assets to the recoverable amount, to provide for any further liabilities which might arise and to reclassify fixed assets as current assets.

**Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. Depreciation has been calculated on the straight line method and aims to write down the cost, less estimated residual value, of tangible fixed assets over their expected useful lives, using the following periods:

Premiums/additions on short leases	Over the term of the lease
Plant, machinery and database equipment	4-10 years
Fixtures, fittings and office equipment	4-10 years
Motor vehicles	4 years

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2003**

**1. ACCOUNTING POLICIES (continued)**

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Leases**

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

**Pension costs**

The pension premiums payable are in respect of defined contribution schemes. The annual instalments are charged to the profit and loss account. The company has no potential further liability in respect of pensions.

**Turnover**

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year. Turnover is derived solely from the company's principal activity in the United Kingdom.

**Cash flow statement**

Under the provisions of FRS 1 (Revised), the company has not produced a cash flow statement on the grounds that its ultimate parent company, IForce Holdings Limited, has produced group financial statements including a consolidated cash flow statement, which are publicly available.

# IForce Limited

## NOTES TO THE ACCOUNTS Year ended 31 December 2003

### 2. OPERATING LOSS

	2003 £	2002 £
The operating loss is stated after charging:		
Depreciation of tangible fixed assets		
- owned assets	534,584	448,302
- leased assets	13,654	13,654
Profit on disposal of fixed assets	59,528	-
Auditors' remuneration for audit services	33,496	17,000
Operating leases rentals		
- plant and machinery	218,765	169,560
- other	1,568,827	1,008,135

Amounts payable to Deloitte & Touche LLP and their associates by the company and its UK subsidiary undertakings in respect of non-audit services were £6,500 (2002 : £nil).

### 3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2003 £	2002 £
Employee costs during the year including executive directors were as follows:		
Wages and salaries	5,530,744	5,132,076
Social security costs	341,686	335,892
Pension costs	20,487	17,936
	<u>5,892,917</u>	<u>5,485,904</u>

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

	No.	No.
Administration	51	64
Production	94	87
	<u>145</u>	<u>151</u>

Remuneration in respect of directors was as follows:

	£	£
Emoluments	-	53,016
Fees paid to third parties	<u>150,000</u>	<u>161,149</u>

Fees paid to third parties comprise amounts paid to Tablogix Limited under an agreement to provide the services of D Birnbaum and J Solomon. The total fees paid by Tablogix Limited for the services of these directors was £300,000 and the directors considered it appropriate to allocate fees of £150,000 to IForce Limited. In the prior year the directors' emoluments and fees were paid by IForce Limited.

The number of directors who were members of money purchase pension schemes during the year was nil (2002: nil).

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2003**

**4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	2003 £	2002 £
Bank interest	12,254	22,565

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2003 £	2002 £
Bank loans and overdrafts	76,468	70,349
Interest payable on finance leases	3,024	5,959
Other	300,000	346,084
	<u>379,492</u>	<u>422,392</u>

Other interest payable relates to a loan note premium which has been recharged by the parent company, IForce Holdings Limited.

**6. TAX ON LOSS ON ORDINARY ACTIVITIES**

The taxation charge based on the result on ordinary activities for the year is £nil (2002: £nil).

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK at 30% (2002: 30%). The differences are explained below:

	2003 £	2002 £
Loss on ordinary activities before tax	(3,377,147)	(2,789,406)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax – 30%	(1,013,144)	(836,822)
Effects of:		
Expenses not deductible for tax purposes	112,181	100,960
Capital allowances in excess of depreciation	(6,862)	(12,425)
Losses not recognised	890,455	742,812
Movement in short term timing differences	17,370	5,475
Current tax charge for year	<u>-</u>	<u>-</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2003**

**7. TANGIBLE FIXED ASSETS**

	Premiums/ additions on short leases £	Plant, machinery and database equipment £	Fixtures, fittings, and office equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2003	547,855	1,673,560	1,315,760	12,574	3,549,749
Additions	-	360,236	207,790	-	568,026
Disposals	-	-	(94,104)	-	(94,104)
	<u>547,855</u>	<u>2,033,796</u>	<u>1,429,446</u>	<u>12,574</u>	<u>4,023,671</u>
<b>At 31 December 2003</b>					
<b>Accumulated depreciation</b>					
At 1 January 2003	432,525	946,942	327,607	12,530	1,719,604
Charge for the year	54,273	352,562	141,359	44	548,238
Disposals	-	-	(8,297)	-	(8,297)
	<u>486,798</u>	<u>1,299,504</u>	<u>460,669</u>	<u>12,574</u>	<u>2,259,545</u>
<b>At 31 December 2003</b>					
<b>Net book value</b>					
At 31 December 2003	<u>61,057</u>	<u>734,292</u>	<u>968,777</u>	<u>-</u>	<u>1,764,126</u>
At 31 December 2002	<u>115,330</u>	<u>726,618</u>	<u>988,153</u>	<u>44</u>	<u>1,830,145</u>

Included in the net book value of tangible fixed assets is £114,657 (2002: £128,311) of assets held under finance leases and hire purchase agreements. The depreciation charge on these assets during the year was £13,654 (2002: £13,654).

**8. STOCKS**

	2003 £	2002 £
Raw material and consumables	<u>41,415</u>	<u>18,444</u>

The directors consider that there is no material difference between the balance sheet value of stocks and their replacement costs.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2003**

**9. DEBTORS**

	2003 £	2002 £
<b>Amounts falling due within one year :</b>		
Trade debtors	1,844,237	2,355,948
Owed by parent undertaking	-	116,956
Prepayments and accrued income	609,305	317,466
	<u>2,453,542</u>	<u>2,790,370</u>
	2003 £	2002 £
<b>Amounts falling due after more than one year :</b>		
Other debtors	504,397	445,550
	<u>504,397</u>	<u>445,550</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank overdraft	685,367	-
Finance leases and hire purchase agreements	36,086	37,606
Trade creditors	2,338,639	2,386,369
Amount owed to parent undertakings	1,833,707	-
Other taxes and social security	313,353	333,851
Other creditors	404,924	266,867
Accruals and deferred income	947,697	884,007
	<u>6,559,773</u>	<u>3,908,700</u>

The company has granted fixed charges of £406,000 (2002 : £406,000) to secure lease contracts. The company has granted a fixed and floating charge over all of its assets to secure the bank overdraft of £685,367 (2002 : £nil).

The intercompany creditor relates to finance and interest charges attributable to the loan notes.

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2003 £	2002 £
Finance leases and hire purchase agreements	17,176	50,889
Loan notes	4,500,000	4,500,000
	<u>4,517,176</u>	<u>4,550,889</u>

The loan notes of £4,500,000 were issued by the company's parent, IForce Holdings Limited. These loan notes are repayable given 12 months written notice and are not subject to an interest charge. These loan notes were cancelled on 1 January 2004 as part of the group restructuring.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2003**

**12. DEFERRED TAX**

	2003 Asset not recognised £	2002 Asset not recognised £
Accelerated capital allowances	64,192	89,898
Short term timing differences	(37,170)	(29,250)
Trading losses	(4,825,965)	(3,821,723)
Net deferred tax asset not recognised	<u>(4,798,943)</u>	<u>(3,761,075)</u>

There is no deferred tax charge or credit in either period as there is no deferred tax asset or liability recognised in either period. However, at both year ends there is a significant deferred tax asset, which has been principally generated by the company's losses to date. This deferred tax asset has not been recognised, based on a review of the company's recent trading performance, due to the uncertainty surrounding its crystallisation

**13. MATURITY OF DEBT**

	2003 Loan Notes £	2002 Loan Notes £	2003 Finance Leases £	2002 Finance Leases £
Amounts payable				
- within one year	-	-	36,086	37,606
- between two and five years	4,500,000	4,500,000	17,176	50,889
	<u>4,500,000</u>	<u>4,500,000</u>	<u>53,262</u>	<u>88,495</u>

**14. CALLED UP SHARE CAPITAL**

	2003 £	2002 £
<b>Authorised:</b>		
3,000,000 ordinary shares of £1 each	3,000,000	3,000,000
1 deferred share of £1	1	1
	<u>3,000,001</u>	<u>3,000,001</u>
<b>Called up, allotted and fully paid:</b>		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
1 deferred share of £1	1	1
	<u>2,000,001</u>	<u>2,000,001</u>

Non-equity shareholders funds relate to the 1 deferred share of £1 which was issued at a premium of £3,070,740 on 2 April 2002. The deferred share does not have any rights to dividends or to any other distribution on winding up or otherwise.

# IForce Limited

## NOTES TO THE ACCOUNTS Year ended 31 December 2003

### 15. RESERVES

	Profit and loss account £	Share premium £	Total £
At 1 January 2003	(8,007,063)	3,070,740	(4,936,323)
Loss for the financial year	(3,377,147)	-	(3,377,147)
At 31 December 2003	<u>(11,384,210)</u>	<u>3,070,740</u>	<u>(8,313,470)</u>

### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2003 £
At 1 January 2003	(2,936,322)
Loss for the financial year	<u>(3,377,147)</u>
At 31 December 2003	<u>(6,313,469)</u>

### 17. CAPITAL COMMITMENTS

Capital commitments at 31 December 2003 amounted to £50,890 (2002: £93,700).

### 18. LEASING COMMITMENTS

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as detailed below.

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	36,086	-	35,237
Within two to five years	-	17,176	540,000	50,890
After more than five years	<u>886,550</u>	<u>-</u>	<u>886,550</u>	<u>-</u>
	<u>886,550</u>	<u>53,262</u>	<u>1,426,550</u>	<u>86,127</u>

### 19. ULTIMATE PARENT COMPANY

At 31 December 2003, IForce Holdings Limited is the parent company of the smallest and largest group for which consolidated accounts are prepared. Copies of these group accounts are available from the company secretary, IForce Holdings Limited, Imber Court Business Park, Orchard Lane, East Molesey, Surrey, KT8 0BZ.



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2003**

**20. RELATED PARTY TRANSACTIONS**

All related party transactions occurred on an arms length basis, however extended credit terms have been offered to Tablogix Limited:

<b>Details of related party and relationship</b>	<b>Services provided to related party</b>	<b>Services acquired from related party</b>
Tablogix Ltd – Common Shareholders/Directors	Professional services	Warehouse space and professional services
Dataforce Ltd – Common Shareholders/Directors	Call centre and professional services	Call centre and professional services
Logisco Technology – Common Shareholder/Directors		IT Services

The values of related party transactions during the year are summarised below:

<b>Services provided to related parties</b>	<b>Value of transactions</b>		<b>Amount owing to IForce Ltd at the year end</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tablogix	249,647	95,404	186,279	-
Dataforce	-	443	-	-
	<u>249,647</u>	<u>95,847</u>	<u>186,279</u>	<u>-</u>
<b>Services provided by related parties</b>	<b>Value of transactions</b>		<b>Amount owed by IForce Ltd at the year end</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tablogix	1,838,984	227,707	1,038,290	20,878
Logisco Technology	115,106	129,250	-	71,189
Dataforce	-	33,829	-	-
	<u>1,954,090</u>	<u>390,786</u>	<u>1,038,290</u>	<u>92,067</u>

Amounts owed to IForce Limited have been included within trade debtors, while amounts owed by IForce Limited have been included within trade creditors.

Services provided by Tablogix Ltd included fees of £150,000 paid in relation to the Directors of IForce Ltd.

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by IForce Holdings Limited.

**21. SUBSEQUENT EVENTS – GROUP RECONSTRUCTION**

On 1 January 2004 the immediate parent company, IForce Holdings Limited, performed a share for share exchange in which it transferred its entire share holding in IForce Limited to Tablogix Holdings Limited in exchange for a 35% shareholding in Tablogix Holdings Limited. As a result of this transaction, all intercompany debt between IForce Limited and IForce Holdings was cancelled.