DATA SELECT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2002

Company no: 03662640

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DATA SELECT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2002

Company Registration Number:	03662640
Registered Office:	Unit B5 Knaves Beech Business Centre Davies Way Loudwater High Wycombe Bucks HP10 9QR
Directors	Mr P Jones Mr S Vincent Mr J McFarnon
Secretary:	Mr S Vincent
Bankers:	Barclays Bank Plc Thames Valley Corporate Banking Centre P O Box 2481 Reading Berks RG1 4XX
Solicitors:	Osborne Clarke OWA 50 Queen Charlotte Street Bristol Avon BS1 4HE
Auditors:	Grant Thornton Registered Auditors Chartered Accountants Churchill House Chalvey Road East Slough Berks SL1 2LS

DATA SELECT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2002

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REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 April 2002.

Principal activity

The company is principally engaged in the sale and distribution of wireless technology products.

Business review

There was a profit for the year after taxation amounting to £451,371 (2001: £326,254). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below.

The interests of the directors and their families in the shares of the company as at 1 May 2001 or at their date of appointment if later and 30 April 2002 were as follows:

	Ordinary shares	
	30 April 2002	1 May 2001
Mr P Jones	-	-
Mr R Slee (resigned 15 August 2001)	-	-
Mr S Vincent	-	-
Mr J McFarnon (appointed 1 January 2002)	-	-

The interests of the directors in the shares of the parent company are shown in that company's directors report.

No director had during the year a material interest in any contract which was significant in relation to the company's business.

Director's responsibilities for the financial statements

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

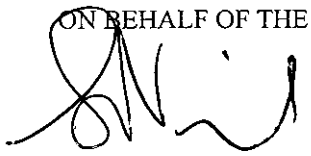
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the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

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton having offered themselves for reappointment as auditors shall be deemed to be reappointed for the next financial year in accordance with section 386 of the Companies Act 1985.

ON BEHALF OF THE BOARD



Director

16 August 2002

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

DATA SELECT LIMITED

We have audited the financial statements of Data Select Limited for the year ended 30 April 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 17 on pages 4 to 13. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH

30 August 2002

PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year except for the adoption of Financial Reporting Standard 19 'Deferred taxation'. This has had no significant effect on the financial statements except for the inclusion of additional disclosures (note 4) as required by the new standard.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Motor vehicles	25%
Fixtures and fittings	15%

Stocks

Stocks are stated at the lower of cost and net realisable value.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element for leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Deferred tax

Deferred tax is recognised on all timing differences where the transactions or events give the company an obligation to pay more tax in the future, or a right to pay less tax in the future has occurred by the balance sheet data. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates that have been enacted or substantively enacted by the balance sheet date.

DATA SELECT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2002

	Note	2002 £	2001 £
Turnover	1	36,882,580	22,449,812
Cost of sales		(33,754,605)	(20,429,009)
Gross profit		3,127,975	2,020,803
Distribution costs		(31,854)	(59,298)
Administrative expenses		(2,331,950)	(1,445,849)
Operating profit		764,171	515,656
Net interest	2	(117,212)	(48,791)
Profit on ordinary activities before taxation	1	646,959	466,865
Tax on profit on ordinary activities	4	(195,588)	(140,611)
Profit transferred to reserves	12	451,371	326,254

There were no recognised gains or losses other than the profit for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements

DATA SELECT LIMITED

BALANCE SHEET AT 30 APRIL 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	5		43,832		58,321
Current assets					
Stocks	6	1,749,322		465,641	
Debtors	7	4,682,026		1,483,231	
Cash at bank and in hand		-		146,066	
		6,431,348		2,094,938	
Creditors: amounts falling due within one year	8	(5,622,520)		(1,751,400)	
Net current assets			808,828		343,538
Total assets less current liabilities			852,660		401,859
Creditors: amounts falling due after more than one year	9		(19,730)		(20,300)
			832,930		381,559
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		832,928		381,557
Shareholders' funds	13		832,930		381,559

The financial statements were approved by the Board of Directors on

Director 16 August 2002

The accompanying accounting policies and notes form an integral part of these financial statements

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is attributable to one class of business as described in the director's report.

The analysis of turnover by geographical market has not been disclosed as the directors consider it is to be seriously prejudicial to the interests of the business.

The profit on ordinary activities is stated after:

	2002 £	2001 £
Auditors' remuneration	6,000	5,000
Depreciation:		
Tangible fixed assets, owned	22,610	5,542
Tangible fixed assets, held under hire purchase contracts	-	9,496

2 NET INTEREST

	2002 £	2001 £
On bank overdrafts	123,159	56,705
Other interest receivable and similar income	(5,947)	(7,914)
	117,212	48,791

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2002 £	2001 £
Wages and salaries	569,176	391,895
Social security costs	52,355	35,589
	621,531	427,484

DIRECTORS AND EMPLOYEES (CONTINUED)

The average number of employees of the company during the year was 15 (2001: 4)

	2002 £	2001 £
Sales	14	13
Administration and others	8	2
	22	15

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2002 £	2001 £
Corporation tax @ 30%	195,588	140,611

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the United Kingdom at 30%.

The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before tax	646,959	466,865
Profit on ordinary activities multiplied by standard rate of corporation tax of 30%	194,088	140,060
Effect of:		
Expenses not deductible for tax purposes	2,010	646
Depreciation for the period in excess of capital allowances		
Other differences	(510)	(95)
	195,588	140,611

5 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 May 2001	1,459	71,900	73,359
Additions	0	44,021	44,021
Disposals	0	(56,995)	(56,995)
At 30 April 2002	1,459	58,926	60,385
Depreciation			
At 1 May 2001	204	14,834	15,038
Charge for the year	486	22,124	22,610
Eliminated on disposal		(21,095)	(21,095)
At 30 April 2002	690	15,863	16,553
Net book amount at 30 April 2002	769	43,063	43,832
Net book amount at 30 April 2001	1,255	57,066	58,321

The figures stated above include assets held under hire purchase contracts as follows:

	Motor vehicles £
Net book amount at 30 April 2002	34,369
Depreciation provided in the year	9,652

6 STOCKS

	2002 £	2001 £
Goods for resale	1,749,322	465,641

7 DEBTORS

	2002 £	2001 £
Trade debtors	3,469,377	1,074,716
Prepayments and accrued income	372,872	408,515
Amounts due from group undertakings	839,777	-
	4,682,026	1,483,231

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank overdraft	3,091,331	463,482
Trade creditors	2,128,523	511,053
Corporation tax	101,441	142,185
Social security and other taxes	-	152,703
Accruals and deferred income	275,579	144,896
Amounts due under hire purchase contracts	25,646	17,100
Amounts owed to group undertakings	-	319,981
	5,622,520	1,751,400

The bank overdraft is secured by way of a fixed and floating charge over all of the company's assets.

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Amounts due under hire purchase contracts	19,730	20,300

10 BORROWINGS

Borrowings are repayable as follows:

	2002 £	2001 £
Within one year		
Bank and other borrowings	3,091,331	463,482
Hire purchase contracts	25,646	17,100
After one and within two years		
Hire purchase contracts	19,730	18,586
After two and within five years		
Hire purchase contracts	-	1,714
	3,136,707	500,882

11 SHARE CAPITAL

	2002 £	2001 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

12 RESERVES

	Profit and loss account £
At 1 May 2001	381,557
Retained profit for the period	451,371
At 30 April 2002	832,928

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	451,371	326,254
Shareholders' funds at 1 May 2001	381,559	55,305
Shareholders' funds at 30 April 2002	832,930	381,559

14 CAPITAL COMMITMENTS

The company had no capital commitments at 30 April 2002 or 30 April 2001.

15 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 April 2002 or 30 April 2001.

16 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is its parent company Phones International Group Limited, which is registered in England and Wales.

The largest group of undertakings for which group accounts have been drawn up is that headed by Phones International Group Limited.

The ultimate controlling related party of the company is Mr P Jones as a result of owing the entire share capital of the parent company, Phones International Group Limited.

17 RELATED PARTY TRANSACTIONS

The related parties and the nature of their relationship at 30 April 2002 are detailed below.

Phones International Limited	100% owned subsidiary of Phones International Group Limited
Celcius (UK) Limited	Mr P Jones is a director and shareholder

Transactions

	2002 £	2001 £
Celcius (UK) Limited		
Salaries recharged by Celcius (UK) Limited	60,000	20,000

As a wholly owned subsidiary of Phones International Group Limited the company is exempt from the requirements of Financial Reporting Standard No 8 'Related Party Transactions' to disclose transactions with other members of the group.

Balances

Included within creditors (note 8) is a balance of £319,981 owing to Phones International Limited.