

DATA SELECT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2003



Company no: 03662640

DATA SELECT LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 30 APRIL 2003

Company Number: 03662640

Registered Office: Unit B5
Knaves Beech Business Centre
Davies Way
Loudwater
High Wycombe
Buckinghamshire
HP10 9QR

Directors: P Jones
S Vincent
G McPherson

Secretary: S Vincent

Bankers: Barclays Bank Plc
Thames Valley Corporate Banking Centre
PO Box 2481
Reading
Berkshire
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
Berkshire
SL1 2LS

DATA SELECT LIMITED

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FOR THE YEAR ENDED 30 APRIL 2003

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DATA SELECT LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 APRIL 2003

The directors present their report together with the financial statements for the year ended 30 April 2003.

Principal activity

The company's principal activity is the sale and distribution of wireless technology products.

Business review

There was a profit for the year after taxation amounting to £1,583,875 (2002: £451,371). The directors do not recommend the 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 2002, or at their date of appointment if later, and 30 April 2003 were as follows:

	Ordinary shares of £1 each	
	30 April 2003	1 May 2002
P Jones	-	-
S Vincent	-	-
G McPherson (appointed 3 February 2003)	-	-
J McFarnon (resigned 11 June 2003)	-	-

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.

Directors' 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 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, 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.

DATA SELECT LIMITED

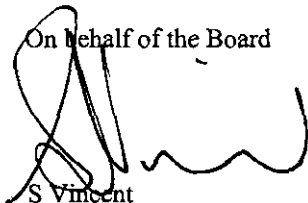
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 APRIL 2003

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 385 of the Companies Act 1985.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'S Vincent', written over the text 'On behalf of the Board'.

S Vincent
Director

23 October 2003

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 2003 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 17. 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 has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 the 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 within the directors' report.

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

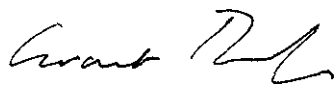
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DATA SELECT LIMITED**

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH**

23 October 2003

DATA SELECT LIMITED

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 APRIL 2003

Basis of preparation

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

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:

Fixtures and fittings	15%
Motor vehicles	25%

Stocks

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

Hire purchase and leasing commitments

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 date. 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.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

DATA SELECT LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2003**

	Note	2003 £	2002 £
Turnover	1	54,712,931	36,882,580
Cost of sales		<u>(50,116,725)</u>	<u>(33,754,605)</u>
Gross profit		4,596,206	3,127,975
Distribution costs		(90,642)	(31,854)
Administrative expenses		<u>(2,712,219)</u>	<u>(2,331,950)</u>
Operating profit		1,793,345	764,171
Net interest	2	<u>(147,518)</u>	<u>(117,212)</u>
Profit on ordinary activities before taxation	1	1,645,827	646,959
Tax on profit on ordinary activities	4	<u>(61,952)</u>	<u>(195,588)</u>
Profit retained and transferred to reserves	12	<u>1,583,875</u>	<u>451,371</u>

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

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

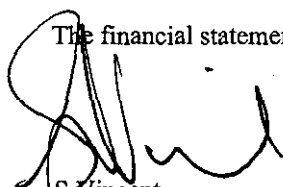
DATA SELECT LIMITED

BALANCE SHEET

AT 30 APRIL 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	5		99,138		43,832
Current assets					
Stocks	6	3,061,773		1,749,322	
Debtors	7	7,617,987		4,682,026	
Cash at bank and in hand		<u>100,245</u>		<u>251,427</u>	
		10,780,005		6,682,775	
Creditors: amounts falling due within one year	8	<u>(8,457,114)</u>		<u>(5,873,947)</u>	
Net current assets			<u>2,322,891</u>		<u>808,828</u>
Total assets less current liabilities			2,422,029		852,660
Creditors: amounts falling due after more than one year	9		<u>(5,224)</u>		<u>(19,730)</u>
			<u>2,416,805</u>		<u>832,930</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		<u>2,416,803</u>		<u>832,928</u>
Shareholders' funds	13		<u>2,416,805</u>		<u>832,930</u>

The financial statements were approved by the Board of Directors on 13 October 2003


S Vincent
Director

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

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2003

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 before taxation is stated after:

	2003 £	2002 £
Auditors' remuneration:	7,000	6,000
Depreciation:		
Tangible fixed assets, owned	12,295	12,958
Tangible fixed assets, held under finance leases and hire purchase contracts	<u>8,431</u>	<u>9,652</u>

2 NET INTEREST

	2003 £	2002 £
Bank overdraft and other borrowings	149,940	116,956
Finance charges in respect of finance lease and hire purchase agreements	<u>2,969</u>	<u>6,203</u>
	152,909	123,159
Other interest receivable and similar income	<u>(5,391)</u>	<u>(5,947)</u>
	<u>147,518</u>	<u>117,212</u>

3 DIRECTORS AND EMPLOYERS

Staff costs during the year were as follows:

	2003 £	2002 £
Wages and salaries	944,531	569,176
Social security costs	<u>96,934</u>	<u>52,355</u>
	<u>1,041,465</u>	<u>621,531</u>

The average number of employees of the company during the year was 24 (2002: 22).

	2003 Number	2002 Number
Sales	16	14
Administration and other	<u>8</u>	<u>8</u>
	<u>24</u>	<u>22</u>

The directors of the company are remunerated through its parent company.

DATA SELECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 APRIL 2003****4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge represents:

	2003 £	2002 £
UK corporation tax at 30% (2002: 30%)	50,000	195,588
Adjustment to prior year's tax provision	11,952	-
Tax on profit on ordinary activities	61,952	195,588

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax of 30% (2002: 30%).

The differences are explained as follows:

	2003 £	2002 £
Profit on ordinary activities before tax	1,645,827	646,959
Profit on ordinary activities multiplied by standard rate of corporation tax of 30% (2002: 30%)	493,748	194,088
Effect of:		
Expenses not deductible for tax purposes	754	2,010
Capital allowances in excess of depreciation	(3,841)	-
Group relief claimed	(440,661)	-
Adjustment to prior year's tax provision	11,952	-
Other differences	-	(510)
Current tax charge	61,952	195,588

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2003

5 TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer equipment £	Total £
Cost			
At 1 May 2002	58,926	1,459	60,385
Additions	30,475	7,169	37,644
Transfers from Group undertakings	60,653	78,531	139,184
Transfers to Group undertakings	(10,295)	-	(10,295)
At 30 April 2003	139,759	87,159	226,918
Depreciation			
At 1 May 2002	15,863	690	16,553
Charge for the year	17,676	3,050	20,726
Transfers from Group undertakings	45,217	49,144	94,361
Transfers to Group undertakings	(3,860)	-	(3,860)
At 30 April 2003	74,896	52,884	127,780
Net book amount at 30 April 2003	64,863	34,275	99,138
Net book amount at 30 April 2002	43,063	769	43,832

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

	Motor vehicles £
Net book amount at 30 April 2003	17,580
Depreciation provided in the year	8,431

6 STOCKS

	2003 £	2002 £
Goods for resale	3,061,773	1,749,322

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2003

7 DEBTORS

	2003 £	2002 £
Trade debtors	5,095,023	3,469,377
Prepayments and accrued income	92,003	372,872
Other debtors	671,837	-
Amounts due from group undertakings	1,759,124	839,777
	<u>7,617,987</u>	<u>4,682,026</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank overdraft	16,200	531,359
Other bank borrowings	1,269,223	2,811,399
Trade creditors	3,788,607	2,128,523
Corporation tax	-	101,441
Other creditors, including social security and other taxes	35,401	-
Accruals and deferred income	150,656	275,579
Amounts due under finance leases and hire purchase contracts	14,505	25,646
Amounts owed to group undertakings	3,182,522	-
	<u>8,457,114</u>	<u>5,873,947</u>

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Amounts due under finance leases and hire purchase contracts	<u>5,224</u>	<u>19,730</u>

10 BORROWINGS

Borrowings are repayable as follows:

	2003 £	2002 £
Within one year		
Bank and other borrowings	1,285,423	3,342,758
Hire purchase contracts	14,505	25,646
After one and within two year		
Hire purchase contracts	<u>5,224</u>	<u>19,730</u>
	<u>1,305,152</u>	<u>3,388,134</u>

DATA SELECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 APRIL 2003****11 SHARE CAPITAL**

	2003 £	2002 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid Two ordinary shares of £1 each	<u>2</u>	<u>2</u>

12 RESERVES

	Profit and loss account £
At 1 May 2002	832,928
Retained profit for the year	<u>1,583,875</u>
At 30 April 2003	<u>2,416,803</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	1,583,875	451,371
Shareholders' funds at 1 May 2002	<u>832,930</u>	<u>381,559</u>
Shareholders' funds at 30 April 2003	<u>2,416,805</u>	<u>832,930</u>

14 CAPITAL COMMITMENTS

The company had no capital commitments at 30 April 2003 or 30 April 2002.

15 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 April 2003 or 30 April 2002.

DATA SELECT LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2003

16 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is Seckloe 111 Limited, which is registered in England and Wales.

The directors consider the immediate parent undertaking of this company is 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 Seckloe 111 Limited.

The ultimate controlling related party of the company is Mr P Jones as a result of owning the majority shareholding of the parent company, Seckloe 111 Limited.

17 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Seckloe 111 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.

The related parties and the nature of their relationship at 30 April 2003 are detailed below:

Celcius (UK) Limited

Mr P Jones is a director and shareholder

Transactions

	2003 £	2002 £
Celcius (UK) Limited		
Salaries recharged by Celcius (UK) Limited	-	60,000

DATA SELECT LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2003**

	2003 £	2002 £
Turnover	54,712,931	36,882,580
Cost of sales	<u>(50,116,725)</u>	<u>(33,754,605)</u>
Gross profit	4,596,206	3,127,975
Distribution costs		
Carriage	90,642	31,854
Administration expenses		
Salaries and wages	1,045,359	621,531
Other payroll costs	22,828	21,328
Advertising and marketing	142,385	146,780
Other property expenses	17,744	219
Telephone	12,191	10,390
Postage, printing and stationary	31,142	35,402
Credit insurance	161,330	92,978
Travel, subsistence and entertaining	7,989	5,604
Vehicle running costs	36,963	45,469
Minor assets not capitalised	5,568	-
Legal, professional and debt collection	59,743	20,115
Bank and sales financing charges	74,500	57,741
Bad debt write off	89,838	130,149
Sundry costs	881	2,855
Audit and accountancy	10,200	3,000
Group management recharge	972,832	1,115,779
Depreciation	<u>20,726</u>	<u>22,610</u>
	<u>2,712,219</u>	<u>2,331,950</u>
Bank interest paid	<u>147,518</u>	<u>117,212</u>
Net profit for the year before taxation	<u>1,645,827</u>	<u>646,959</u>

THIS PAGE DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS