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DATA SELECT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2004

DATA SELECT LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 30 APRIL 2004

Company Number: 03662640

Registered Office: Network House
Third Avenue
Globe Park
Marlow
Buckinghamshire
SL7 1LY

Directors: P Jones
S Vincent

Secretary: S Vincent

Bankers: Barclays Bank Plc
Thames Valley Corporate Banking Centre
PO Box 2481
Reading
Berkshire
RG1 4XX

Solicitors: Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
Avon
BS1 6EG

Auditors: Grant Thornton UK LLP
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 2004

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DATA SELECT LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 APRIL 2004

The directors present their report together with the financial statements for the year ended 30 April 2004.

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 £3,945,716 (2003: £1,583,875). Interim dividends totalling £3,500,000 (2003: £nil) were paid leaving £445,716 (2003: £1,583,875) retained profit.

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 2003 and 30 April 2004 were as follows:

	Ordinary shares of £1 each	
	30 April 2004	1 May 2003
P Jones	-	-
S Vincent	-	-
G McPherson (resigned 30 April 2004)	-	-

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

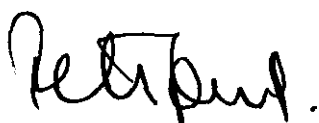
FOR THE YEAR ENDED 30 APRIL 2004

Auditors

On 1 July 2004, the Grant Thornton Partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under Section 26(5) of the Companies Act 1989, the directors' consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

On behalf of the Board



P Jones
Director

30 July 2004

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 2004 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 18. 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 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 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.

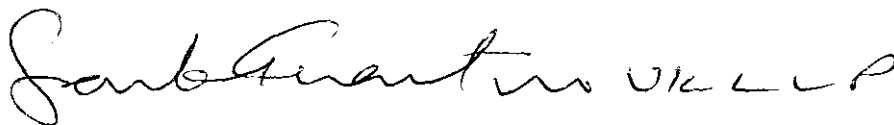
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Grant Thornton UK LLP', is written over the printed name of the firm.

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

20 July 2004

DATA SELECT LIMITED

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 APRIL 2004

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 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. Net realisable value is stated after taking account of manufacturer bonuses and support payments.

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 2004**

	Note	2004 £	2003 £
Turnover	1	89,042,106	54,712,931
Cost of sales		<u>(81,186,237)</u>	<u>(50,116,725)</u>
Gross profit		7,855,869	4,596,206
Distribution costs		(295,393)	(90,642)
Administrative expenses		<u>(3,549,027)</u>	<u>(2,712,219)</u>
Operating profit		4,011,449	1,793,345
Net interest	2	<u>(109,400)</u>	<u>(147,518)</u>
Profit on ordinary activities before taxation	1	3,902,049	1,645,827
Tax on profit on ordinary activities	4	<u>43,667</u>	<u>(61,952)</u>
Profit for the financial year	14	3,945,716	1,583,875
Dividends	5	<u>(3,500,000)</u>	<u>-</u>
Profit retained and transferred to reserves	13	<u>445,716</u>	<u>1,583,875</u>

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

DATA SELECT LIMITED

BALANCE SHEET

AT 30 APRIL 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	6		71,940		99,138
Current assets					
Stocks	7	3,229,151		3,061,773	
Debtors	8	9,185,317		7,617,987	
Cash at bank and in hand		<u>473,154</u>		<u>100,245</u>	
		12,887,622		10,780,005	
Creditors: amounts falling due within one year	9	<u>(10,097,041)</u>		<u>(8,457,114)</u>	
Net current assets			<u>2,790,581</u>		<u>2,322,891</u>
Total assets less current liabilities			2,862,521		2,422,029
Creditors: amounts falling due after more than one year	10		<u>-</u>		<u>(5,224)</u>
			<u>2,862,521</u>		<u>2,416,805</u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		<u>2,862,519</u>		<u>2,416,803</u>
Shareholders' equity funds	14		<u>2,862,521</u>		<u>2,416,805</u>

The financial statements were approved by the Board of Directors on 30 July 2004.



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 2004

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is attributable to one class of business as described in the directors' 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:

	2004 £	2003 £
Auditors' remuneration - audit services	9,000	7,000
Depreciation:		
- Tangible fixed assets, owned	65,791	12,295
- Tangible fixed assets, held under finance leases and hire purchase contracts	-	8,431

2 NET INTEREST

	2004 £	2003 £
Bank overdraft and other borrowings	111,761	149,940
Finance charges in respect of finance lease and hire purchase contracts	1,399	2,969
	113,160	152,909
Other interest receivable and similar income	(3,760)	(5,391)
	109,400	147,518

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2004 £	2003 £
Wages and salaries	2,106,532	944,531
Social security costs	238,540	96,934
	2,345,072	1,041,465

The average number of employees of the company during the year was 54 (2003: 24).

	2004 Number	2003 Number
Sales	26	16
Administration and other	28	8
	54	24

Details of directors remuneration are included in the parent company financial statements.

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2004

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax (credit)/charge represents:

	2004 £	2003 £
UK corporation tax at 30% (2003: 30%)	-	50,000
Adjustment to prior year's tax provision	(43,667)	11,952
<i>Tax on profit on ordinary activities</i>	<u>(43,667)</u>	<u>61,952</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax of 30% (2003: 30%).

The differences are explained as follows:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>3,902,049</u>	<u>1,645,827</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 30% (2003: 30%)	1,170,615	493,748
Effect of:		
Expenses not deductible for tax purposes	4,690	754
Depreciation in excess of capital allowance/(capital allowances in excess of depreciation)	8,514	(3,841)
Group relief claimed	(1,183,819)	(440,661)
Adjustment to prior year's tax provision	(43,667)	11,952
<i>Current tax (credit)/charge</i>	<u>(43,667)</u>	<u>61,952</u>

5 DIVIDENDS

	2004 £	2003 £
Ordinary shares		
- Interim dividend	<u>3,500,000</u>	<u>-</u>

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2004

6 TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer equipment £	Total £
Cost			
At 1 May 2003	139,759	87,159	226,918
Additions	-	10,328	10,328
Transfer from group undertakings	28,265	-	28,265
Disposals	(13,000)	-	(13,000)
At 30 April 2004	155,024	97,487	252,511
Depreciation			
At 1 May 2003	74,896	52,884	127,780
Charge for the year	33,794	21,744	55,538
Transfer from group undertakings	10,253	-	10,253
Disposals	(13,000)	-	(13,000)
At 30 April 2004	105,943	74,628	180,571
Net book amount			
At 30 April 2004	49,081	22,859	71,940
At 30 April 2003	64,863	34,275	99,138

7 STOCKS

	2004 £	2003 £
Goods for resale	3,229,151	3,061,773

8 DEBTORS

	2004 £	2003 £
Trade debtors	7,086,999	5,095,023
Prepayments and accrued income	137,929	92,003
Other debtors	1,960,389	671,837
Amounts due from group undertakings	-	1,759,124
	9,185,317	7,617,987

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2004

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Bank overdraft	3,006	16,200
Other bank borrowings	2,502,526	1,269,223
Trade creditors	5,844,624	3,788,607
Other creditors, including social security and other taxes	689,025	35,401
Accruals and deferred income	227,384	150,656
Amounts due under finance leases and hire purchase contracts	5,349	14,505
Amounts owed to group undertakings	825,127	3,182,522
	<u>10,097,041</u>	<u>8,457,114</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004 £	2003 £
Amounts due under finance leases and hire purchase contracts	<u>-</u>	<u>5,224</u>

11 BORROWINGS

Borrowings are repayable as follows:

	2004 £	2003 £
Within one year		
Bank and other borrowings	2,505,532	1,285,423
Amounts due under finance leases and hire purchase contracts	5,349	14,505
After one and within two year		
Amounts due under finance leases and hire purchase contracts	<u>-</u>	<u>5,224</u>
	<u>2,510,881</u>	<u>1,305,152</u>

12 SHARE CAPITAL

	2004 £	2003 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2004

13 RESERVES

	Profit and loss account £
At 1 May 2003	2,416,803
Retained profit for the year	<u>445,716</u>
At 30 April 2004	<u>2,862,519</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' EQUITY FUNDS

	2004 £	2003 £
Profit for the financial year	3,945,716	1,583,875
Dividends	<u>(3,500,000)</u>	<u>-</u>
Net increase in shareholders' equity funds	445,716	1,583,875
Shareholders' equity funds at 1 May 2003	<u>2,416,805</u>	<u>832,930</u>
Shareholders' equity funds at 30 April 2004	<u>2,862,521</u>	<u>2,416,805</u>

15 CAPITAL COMMITMENTS

The company had no capital commitments at 30 April 2004 or 30 April 2003.

16 CONTINGENT LIABILITIES

There is a group banking arrangement for the companies Phones International Group Holdings Limited, Phones International Group Limited, Phones International Limited and Data Select Limited. The company had a contingent liability of £6,032,380 (2003: £1,185,178) in respect of this arrangement.

There were no other contingent liabilities at 30 April 2004 or 30 April 2003.

17 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is Phones International Group Holdings 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 financial statements have been drawn up is that headed by Phones International Group Holdings Limited.

The ultimate controlling related party of the company is Mr P Jones as a result of being the sole shareholder in the parent company, Phones International Group Holdings Limited.

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2004

18 TRANSACTIONS WITH RELATED PARTIES

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