



DATA SELECT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2006

DATA SELECT LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 30 APRIL 2006

Company Number: 03662640

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

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
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 2006

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DATA SELECT LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 APRIL 2006

The directors present their report together with the financial statements for the year ended 30 April 2006.

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 £6,435,858 (2005: £4,532,996). Interim dividends totalling £5,800,000 (2005: £nil) were paid leaving £635,858 (2005: £4,532,996) retained profit.

In monitoring financial performance, the directors assess the company's performance against both prior year and forecast. The forecasts are prepared annually and are reviewed regularly for continuing appropriateness given strategic developments in the business. Key financial performance measures include gross margin by service, trading volumes with key trading partners, overheads and working capital/cash performance in all key areas of the business.

Financial risk management objectives and policies

The company uses various financial instruments including loans, cash, equity investments, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are market risk, liquidity risk, interest rate risk, cash flow and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Short-term flexibility is achieved by overdraft facilities.

The maturity of borrowings is set out in note 10 to the financial statements. In addition to these borrowings the company has access to undrawn committed borrowing facilities of an additional £12,901,802.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Credit risk

The company's principal financial assets are cash and trade debtors. The principal credit risk arises from its trade debtors.

DATA SELECT LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 APRIL 2006

In order to manage credit risk the directors set limits for customers based on a combination of trading and payment history, market knowledge and third party credit references. Credit limits are reviewed by the credit manager on a regular basis in conjunction with debt ageing and collection history.

There is a company banking arrangement for the companies Oval (2074) Limited, Phones International Group Holdings Limited, Phones International Group Limited and Data Select Limited to provide an inter group cross guarantee. The company has a contingent liability of £nil (2005: £6,921,813) in respect of this arrangement.

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 2005 or date of appointment or later, and 30 April 2006 were as follows:

	Ordinary shares of £1 each	
	30 April 2006	1 May 2005 (or date of appointment)
P Jones	-	-
S Vincent	-	-
G McPherson (appointed 1 June 2005)	-	-

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 2006

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

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



S Vincent
Director

Date: 16 June 2006

Date: 16 June 2006

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF DATA SELECT LIMITED

We have audited the financial statements of Data Select Limited for the year ended 30 April 2006 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 (United Kingdom Generally Accepted accounting Practice) 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 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, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with the financial statements. We also 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2006 and of its profit for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the directors' report is consistent with the financial statements for the year ended 30 April 2006.



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



DATA SELECT LIMITED

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 APRIL 2006

Basis of preparation

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

The principal accounting policies of the company 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.

Cashflow statement

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

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:

Leasehold improvements	Over the life of the lease
Motor vehicles	25%
Computer equipment	15% - 33%

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

All 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 that 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

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 APRIL 2006

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

DATA SELECT LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 2006**

	Note	2006 £	2005 £
Turnover	1	186,095,085	123,520,512
Cost of sales		<u>(167,090,926)</u>	<u>(110,994,653)</u>
Gross profit		19,004,159	12,525,859
Distribution costs		<u>(1,600,988)</u>	<u>(1,051,159)</u>
Administrative expenses		<u>(9,130,433)</u>	<u>(5,966,136)</u>
Operating profit		8,272,738	5,508,564
Net interest	2	<u>(386,880)</u>	<u>(365,568)</u>
Profit on ordinary activities before taxation	1	7,885,858	5,142,996
Tax on profit on ordinary activities	4	<u>(1,450,000)</u>	<u>(610,000)</u>
Profit for the financial year	12	<u>6,435,858</u>	<u>4,532,996</u>

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

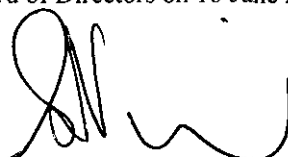
The accompanying accounting policies and notes form an integral part of these financial statements.

DATA SELECT LIMITED**BALANCE SHEET**

AT 30 APRIL 2006

	Note	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Tangible assets	6		703,801		531,441
Current assets					
Stocks	7	5,654,502		3,847,702	
Debtors	8	25,544,988		23,546,618	
Cash at bank and in hand		<u>2,960,568</u>		<u>2,406,472</u>	
		34,160,058		29,800,792	
Creditors: amounts falling due within one year	9	<u>(26,832,484)</u>		<u>(22,936,716)</u>	
Net current assets			<u>7,327,574</u>		<u>6,864,076</u>
Total assets less current liabilities			<u>8,031,375</u>		<u>7,395,517</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		<u>8,031,373</u>		<u>7,395,515</u>
Shareholders' funds	13		<u>8,031,375</u>		<u>7,395,517</u>

The financial statements were approved by the Board of Directors on 16 June 2006

P Jones
DirectorS 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 2006

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:

	2006 £	2005 £
Auditors' remuneration - audit services	19,100	9,000
Depreciation:		
- Tangible fixed assets, owned	161,105	94,421
Other operating lease rentals	<u>671,557</u>	<u>655,510</u>

2 NET INTEREST

	2006 £	2005 £
Bank overdraft and other borrowings	393,467	384,078
Other interest receivable and similar income	<u>(6,587)</u>	<u>(18,510)</u>
	<u>386,880</u>	<u>365,568</u>

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2006 £	2005 £
Wages and salaries	5,340,128	2,951,829
Social security costs	<u>551,225</u>	<u>321,691</u>
	<u>5,891,353</u>	<u>3,273,520</u>

The average number of employees of the company during the year was 148 (2005: 87).

	2006 Number	2005 Number
Sales and purchasing	50	33
Administration and other	<u>98</u>	<u>54</u>
	<u>148</u>	<u>87</u>

No directors were remunerated through this company. 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 2006****4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge represents:

	2006 £	2005 £
UK corporation tax at 30% (2005: 30%)	1,437,945	610,000
Adjustment to prior year's tax provision	12,055	-
Tax on profit on ordinary activities	<u>1,450,000</u>	<u>610,000</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% (2005: 30%).

The differences are explained as follows:

	2006 £	2005 £
Profit on ordinary activities before tax	<u>7,885,858</u>	<u>5,142,996</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 30% (2005: 30%)	2,365,757	1,542,899
Effect of:		
Expenses not deductible for tax purposes	26,157	5,772
Capital allowances in excess of depreciation/(depreciation in excess of capital allowances)	18,141	(11,876)
Group relief claimed	(973,548)	(926,795)
Other timing differences	1,438	-
Adjustment to prior year's tax provision	12,055	-
Current tax charge	<u>1,450,000</u>	<u>610,000</u>

5 DIVIDENDS

	2006 £	2005 £
Ordinary shares		
- Interim dividend of £2,900,000 per ordinary share	<u>5,800,000</u>	<u>-</u>

DATA SELECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 APRIL 2006

6 TANGIBLE FIXED ASSETS

	Leasehold improvements	Motor vehicles	Computer equipment	Total
	£	£	£	£
Cost				
At 1 May 2005	404,112	156,488	242,631	803,231
Additions	6,272	-	284,134	290,406
Transfer from group undertakings	-	-	201,598	201,598
Disposals	-	(82,488)	-	(82,488)
At 30 April 2006	410,384	74,000	728,363	1,212,747
Depreciation				
At 1 May 2005	28,431	131,219	112,140	271,790
Charge for the year	40,981	7,487	112,637	161,105
Transfer from group undertakings	-	-	142,957	142,957
Disposals	-	(66,906)	-	(66,906)
At 30 April 2006	69,412	71,800	367,734	508,946
Net book amount				
At 30 April 2006	340,972	2,200	360,629	703,801
At 30 April 2005	375,681	25,269	130,491	531,441

7 STOCKS

	2006	2005
	£	£
Goods for resale	5,654,502	3,847,702

8 DEBTORS

	2006	2005
	£	£
Trade debtors	17,166,326	12,810,310
Prepayments and accrued income	534,458	701,141
Other debtors	7,464,058	5,850,850
Amounts due from group undertakings	380,146	4,184,317
	25,544,988	23,546,618

DATA SELECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 APRIL 2006

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Other bank borrowings	2,098,198	6,661,618
Trade creditors	20,010,650	15,116,927
Other creditors, including social security and other taxes	420,085	174,677
Accruals and deferred income	594,324	373,494
Amounts owed to group undertakings	2,986,282	-
Corporation tax	722,945	610,000
	<u>26,832,484</u>	<u>22,936,716</u>

10 BORROWINGS

Borrowings are repayable as follows:

	2006 £	2005 £
Within one year		
Bank and other borrowings	<u>2,098,198</u>	<u>6,661,618</u>

11 SHARE CAPITAL

	2006 £	2005 £
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>

12 RESERVES

	Profit and loss account £
At 1 May 2005	7,395,515
Profit for the financial year	6,435,858
Dividends	<u>(5,800,000)</u>
At 30 April 2006	<u>8,031,373</u>

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2006

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	6,435,858	4,532,996
Dividends	(5,800,000)	-
Net increase in shareholders' funds	635,858	4,532,996
Shareholders' funds at 1 May 2005	7,395,517	2,862,521
Shareholders' funds at 30 April 2006	8,031,375	7,395,517

14 CAPITAL COMMITMENTS

The company had no capital commitments at 30 April 2006 or 30 April 2005.

15 CONTINGENT LIABILITIES

There is a group banking arrangement for the companies Oval (2074) Limited, Phones International Group Holdings Limited, Phones International Group Limited and Data Select Limited. The company had a contingent liability of £nil (2005: £6,921,813) in respect of this arrangement.

The company is also party to a cross guarantee in respect of the Credit Suisse loan facility taken out by the ultimate parent undertaking Oval (2074) Limited during the year. There is a cross guarantee between Oval (2074) Limited, Phones International Group Holdings Limited, Phones International Group Limited and Data Select Limited. The company had a contingent liability of £15,000,000 in respect of this cross guarantee.

There were no other contingent liabilities at 30 April 2006 or 30 April 2005.

16 LEASING COMMITMENT

Operating lease payments amounting to £498,712 (2005: £498,712) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings 2006 £	Land and buildings 2005 £
In five years or more	498,712	498,712

17 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is Oval (2074) 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.

DATA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2006

ULTIMATE PARENT UNDERTAKING (CONTINUED)

The largest group of undertakings for which group financial statements have been drawn up is that headed by Oval (2074) Limited.

The ultimate controlling related party of the company is P Jones as a result of being the sole shareholder in the ultimate parent company, Oval (2074) Limited.

18 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Oval (2074) 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.

Data Select Limited rents the Marlow property from P Jones a director of the company and sole shareholder of the ultimate parent undertaking Oval (2074) Limited. Rent charged is considered to be a realistic reflection of market rent and amounted to £498,712 (2005: £540,271). At the balance sheet date there was an amount owed to P Jones of £97,664 (2005: £97,664).