

Financial Statements Data Select Limited

For the year ended 30 April 2013



Registered number: 03662640

Data Select Limited

Company Information

Company number	03662640
Registered office	Network House Third Avenue Globe Park Marlow Buckinghamshire SL7 1LY
Directors	P Jones S Vincent G McPherson
Company secretary	J Holdgate
Bankers	Barclays Bank Plc PO Box 2481 Reading Berkshire RG1 1AX
Solicitors	Osborne Clarke 2 Temple Bank East Temple Quay Bristol Avon BS1 6EG
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road IQ Winnersh Wokingham Berkshire RG41 5TS

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Directors' report

For the year ended 30 April 2013

The directors present their report and the financial statements for the year ended 30 April 2013

Principal activities

The company's principal activities are the sale and distribution of wireless technology products, web site design and hosting solutions and fulfillment services

Business review

We are pleased with the results we are reporting which were achieved despite increasingly tough economic conditions throughout the year

The profit for the year, after taxation, amounted to £2,789,711 (2012 - £3,648,639) The directors do not recommend payment of a dividend (2012 - £nil)

In monitoring financial performance, the directors assess the company's performance against 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 Instruments

The company uses various financial instruments including loans, cash, 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, cash flow, interest rate risk 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

Neither currency nor price risk are regarded as significant

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

In addition to these borrowings the company has access to undrawn committed borrowing facilities of an additional £6,464,541 (2012 - £8,189,088)

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 floating facilities

Directors' report

For the year ended 30 April 2013

Credit risk

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

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 group banking arrangement for the companies PDJ (Shelf 4) Limited, Phones International Group Holdings Limited, Phones International Group Limited and Data Select Limited supported by intra company cross guarantees. The company has a contingent liability of £nil (2012 - £nil) in respect of this arrangement.

Directors

The directors who served during the year were

P Jones
S Vincent
G McPherson

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

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report

For the year ended 30 April 2013

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

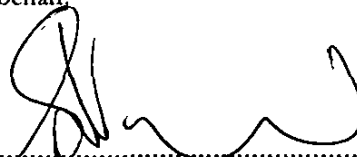
Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board and signed on its behalf



.....
P Jones
Director



.....
S Vincent
Director

Date **10 SEPTEMBER 2013**



Independent auditor's report to the members of Data Select Limited

We have audited the financial statements of Data Select Limited for the year ended 30 April 2013, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 directors and auditor

As explained more fully in the Statement of directors' responsibilities as set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the members of Data Select Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Paul Creasey (Senior statutory auditor)

For and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Reading

1 October 2013

Profit and loss account

For the year ended 30 April 2013

	Note	2013 £	2012 £
Turnover	2	130,459,809	136,475,745
Cost of sales		<u>(120,127,496)</u>	<u>(124,758,814)</u>
Gross profit		10,332,313	11,716,931
Distribution costs		<u>(253,761)</u>	<u>(332,055)</u>
Administrative expenses		<u>(7,059,687)</u>	<u>(7,041,279)</u>
Operating profit	3	3,018,865	4,343,597
Interest receivable and similar income		4,362	8,572
Interest payable and similar charges	5	<u>(215,722)</u>	<u>(158,132)</u>
Profit on ordinary activities before taxation		2,807,505	4,194,037
Tax on profit on ordinary activities	6	<u>(17,794)</u>	<u>(545,398)</u>
Profit for the financial year	13	<u>2,789,711</u>	<u>3,648,639</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account

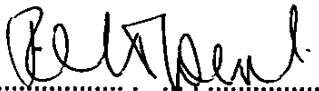
The notes on pages 8 to 17 form part of these financial statements


Balance sheet

As at 30 April 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	7		543,141		494,874
Investments	8		35,971		-
			<u>579,112</u>		<u>494,874</u>
Current assets					
Stocks	9	8,726,239		7,975,064	
Debtors	10	22,507,965		17,057,776	
Cash at bank		3,407,590		6,588,712	
		<u>34,641,794</u>		<u>31,621,552</u>	
Creditors: amounts falling due within one year	11	(24,204,925)		(23,890,156)	
Net current assets			<u>10,436,869</u>		<u>7,731,396</u>
Net assets			<u>11,015,981</u>		<u>8,226,270</u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		11,015,979		8,226,268
Shareholders' funds	14		<u>11,015,981</u>		<u>8,226,270</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
10 SEPTEMBER 2013


.....
P Jones
Director


.....
S Vincent
Director

The notes on pages 8 to 17 form part of these financial statements

Notes to the financial statements

For the year ended 30 April 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year. The directors have reviewed the principal accounting policies and consider them to be appropriate to the company.

1.2 Going concern

The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the financial risk management objectives and policies section of the report of the directors and in note 11 to the accounts.

The Directors have reviewed the company's business plan and forecasts for the period to July 2014, have discussed the future renewal of banking facilities with its banking partners and evaluated relationships with key suppliers. As a result the Directors believe that the Company has adequate resources to continue operations for the foreseeable future. Accordingly, we continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover on the sale of hand sets is recognised upon delivery to the customer. In addition further revenue is recognised upon confirmation received that an appropriate network bonus is due.

1.4 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

Notes to the financial statements

For the year ended 30 April 2013

1. Accounting policies (continued)

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value

1.8 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

Notes to the financial statements

For the year ended 30 April 2013

1. Accounting policies (continued)

1.11 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.

2. Turnover

Turnover is attributable to one class of business as described in the report of the directors.

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

3. Operating profit

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	188,410	238,497
Auditor's remuneration	19,000	18,000
Auditor's remuneration - non-audit	6,890	9,250
Other operating lease rentals - land and buildings	564,906	564,666

During the year, no director received any emoluments (2012 - £NIL)

Notes to the financial statements

For the year ended 30 April 2013

4. Staff costs

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	4,175,568	4,197,047
Social security costs	439,516	501,274
	<u>4,615,084</u>	<u>4,698,321</u>

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

	2013 No	2012 No
Sales and purchasing	54	58
Administration and other	58	59
	<u>112</u>	<u>117</u>

5. Interest payable

	2013 £	2012 £
On bank borrowings	<u>215,722</u>	<u>158,132</u>

6. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	83,926	312,180
Adjustments to prior year's tax provision	(66,132)	233,218
Tax on profit on ordinary activities	<u>17,794</u>	<u>545,398</u>

Notes to the financial statements

For the year ended 30 April 2013

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.92% (2012 - 25.84%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>2,807,505</u>	<u>4,194,037</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.92% (2012 - 25.84%)	671,555	1,083,739
Effects of:		
Expenses not deductible for tax purposes	15,171	7,706
(Depreciation)/capital allowances for year in excess of capital allowances/depreciation	(8,433)	25,358
Adjustments to tax charge in respect of prior year	(66,132)	233,218
Other timing differences	-	31,003
Group relief	(594,367)	(835,626)
Current tax charge for the year (see note above)	<u><u>17,794</u></u>	<u><u>545,398</u></u>

Factors that may affect future tax charges

There is an unrecognised deferred tax asset of £58,352 (2012 - asset of £44,569) relating to depreciation in excess of capital allowances and other timing differences.

Notes to the financial statements

For the year ended 30 April 2013

7. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Total £
Cost			
At 1 May 2012	455,846	1,659,965	2,115,811
Additions	153,497	83,180	236,677
At 30 April 2013	609,343	1,743,145	2,352,488
Depreciation			
At 1 May 2012	339,353	1,281,584	1,620,937
Charge for the year	44,179	144,231	188,410
At 30 April 2013	383,532	1,425,815	1,809,347
Net book value			
At 30 April 2013	225,811	317,330	543,141
At 30 April 2012	116,493	378,381	494,874

8. Fixed asset investments

	Investments in subsidiary undertakings £
Cost or valuation	
At 1 May 2012	-
Additions	35,971
At 30 April 2013	35,971
Net book value	
At 30 April 2013	35,971
At 30 April 2012	-

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Data Select LLC	Ordinary	49%

Notes to the financial statements

For the year ended 30 April 2013

8. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 30 April 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit £
Data Select LLC	61,205	25,234

The company is considered to be a subsidiary undertaking due to the fact that it is controlled by Data Select Limited

9. Stocks

	2013 £	2012 £
Goods for resale	8,726,239	7,975,064

10. Debtors

	2013 £	2012 £
Trade debtors	14,707,929	13,328,256
Amounts owed by group undertakings	6,272,097	2,560,045
Other debtors	623,933	308,131
Prepayments and accrued income	834,317	861,344
Tax recoverable	69,689	-
	22,507,965	17,057,776

11. Creditors:

Amounts falling due within one year

	2013 £	2012 £
Bank borrowings	8,535,459	6,810,912
Trade creditors	12,756,867	14,097,102
Corporation tax	83,926	462,810
Social security and other taxes	894,992	1,240,628
Other creditors	1,299,029	220,186
Accruals and deferred income	634,652	1,058,518
	24,204,925	23,890,156

Notes to the financial statements

For the year ended 30 April 2013

12. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

13. Reserves

	Profit and loss account £
At 1 May 2012	8,226,268
Profit for the year	2,789,711
At 30 April 2013	11,015,979

14. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	8,226,270	4,577,631
Profit for the year	2,789,711	3,648,639
Closing shareholders' funds	11,015,981	8,226,270

15. Capital Commitments

The company had no capital commitments at 30 April 2013 or 30 April 2012

16. Fixed and floating charge

The bank has assigned a fixed and floating charge over the company's assets as security against any liabilities they are owed

Notes to the financial statements

For the year ended 30 April 2013

17. Contingent liabilities

There is a group banking arrangement for the companies PDJ (Shelf 4) Limited, Phones International Group Holdings Limited, Phones International Group Limited and Data Select Limited. The company had a contingent liability of £nil (2012 - £nil) in respect of intra company guarantees given in connection with this arrangement.

Due to industry wide actions taken by HMRC the company experienced severe delays in repayment of VAT during 2006. Since the introduction of VAT reverse charging the company has been in a payment situation each quarter and has offset amounts due to HMRC up to the amount of the delayed repayments.

HMRC has advised of its intention to deny the right to deduct £3.8m of input tax relating to the year ended 30th April 2006. The company strenuously rejects all issues raised by HMRC and having taken professional advice is disputing these issues and will continue to do so using all means at its disposal. Accordingly no amount has been provided in the financial statements in this respect.

There were no other contingent liabilities at 30 April 2013 or 30 April 2012.

18. Operating lease commitments

At 30 April 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
	£	£
Expiry date:		
Within 1 year	611,646	-
Between 2 and 5 years	-	611,646
After more than 5 years	-	564,906

19. Ultimate parent undertaking

The directors consider that the ultimate parent undertaking of this company is PDJ (Shelf 4) 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 and smallest group of undertakings for which group financial statements have been drawn up is that headed by PDJ (Shelf 4) 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 PDJ (Shelf 4) Limited.

Notes to the financial statements

For the year ended 30 April 2013

20. Related party transactions

As a wholly owned subsidiary of PDJ (Shelf 4) Limited, the company is exempt from the requirements of Financial Reporting Standard No 8 'Related Party Disclosures' 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 PDJ (Shelf 4) Limited. Rent charged is considered to be market rent and amounted to £611,646 (2012 - £611,646). At the balance sheet date there was an amount owed to P Jones of £nil (2012 - £nil).

eXpansys plc and Jessops Europe Limited are related through the common directorship of P Jones

The company undertook the following transactions with related parties

	2013	2012
	£	£
Net sales to eXpansys plc	7,461,866	9,721,640
Net sales to Jessops Europe Limited	153,098	-
Net sales to companies with common ownership	24,248	24,210

At the balance sheet date the following amounts were due from related parties

	2013	2012
	£	£
eXpansys plc	1,683,921	1,298,531
Jessops Europe Limited	9,832	-
Companies with common ownership	11,598	20
Data Select LLC	895,226	-