

# Financial Statements

## Data Select Limited

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For the year ended 30 April 2017

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Registered number: 03662640

Data Select Limited

## Company Information

<b>Directors</b>	P Jones CBE F Donovan S Vincent (resigned 31 July 2017) N Willcox
<b>Company secretary</b>	J Holdgate
<b>Registered number</b>	03662640
<b>Registered office</b>	Network House Third Avenue Globe Park Marlow Buckinghamshire SL7 1EY
<b>Independent auditor</b>	Grant Thornton UK LLP 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS
<b>Bankers</b>	Lloyds Bank Plc Davidson House Forbury Square Reading Berkshire RG1 3EU
<b>Solicitors</b>	Osborne Clarke 2 Temple Back East Temple Quay Bristol Avon BS1 6EG

**Data Select Limited**

## Contents

	Page
<b>Directors' report</b>	1 - 3
<b>Strategic report</b>	4 - 5
<b>Independent auditor's report</b>	6 - 7
<b>Statement of comprehensive income</b>	8
<b>Statement of financial position</b>	9
<b>Statement of changes in equity</b>	10
<b>Notes to the financial statements</b>	11 - 24

Data Select Limited

## Directors' report

For the year ended 30 April 2017

The directors present their report and the financial statements for the year ended 30 April 2017.

### Principal activity

The principal activities of the company are sale and distribution of wireless technology and services.

### Results and dividends

The profit for the year, after taxation, amounted to £1,901,890 (2016: £674,625).

During the year the company generated:

Turnover: £156,026,525 (2016: £133,029,818)

Operating profit: £1,270,672 (2016: £1,204,114)

The directors do not recommend the payment of a dividend (2016: £Nil).

The directors are satisfied with the company's financial performance for the year. Further information is provided in the strategic report.

### Future developments

Management has deemed that for the foreseeable future the company will continue to operate in its current form with no significant future developments being planned.

### Directors

The directors who served during the year were:

P Jones CBE

F Donovan

S Vincent (resigned 31 July 2017)

N Willcox

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

## Directors' report (continued)

For the year ended 30 April 2017

### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting 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 to 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.

### Post balance sheet events

On 2 May 2017, the group underwent a major restructure. Following the restructure, the largest and smallest group of undertakings for which publicly available group financial statements will be drawn up including this company will now be that headed by Data Select Group Ltd.

The immediate parent undertaking, the ultimate parent undertaking and the ultimate controlling party of the company remain the same.

### Disclosure 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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Data Select Limited

## Directors' report (continued)

For the year ended 30 April 2017

### 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 on 27 October 2017 and signed on its behalf.



N Willcox  
Director

## Strategic report

For the year ended 30 April 2017

### Introduction

The objectives of this report are to provide shareholders and other users of these statements:

- with the appropriate level of background context for these financial statements;
- with an analysis of the company's past performance; and
- insight into the company's main objectives and strategies, and the principal risks it faces, and how they might affect future prospects.

### The company's objectives and strategy

The company's objective is to be recognised as an indispensable partner to our customers and suppliers by offering innovative and class leading solutions and services.

The board seeks to deliver sustainable, responsible and profitable business growth so as to build shareholder value and offer challenging and rewarding careers for the company's employees.

The company has and continues to strive to enhance close working relationships with all of its partners and aims to deliver value added solutions in a cost effective, efficient and innovative way.

### Business review

The company's principal activities are the sale and distribution of wireless technology products and services.

In regular monitoring of financial reporting, the directors assess the company's development and 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 turnover, gross margin, profitability, trading volumes with key trading partners, administrative expenses and working capital/cash performance in all key areas of the business.

During the year the company generated:

Turnover: £156,026,525 (2016: £133,029,818)

Gross margin: 6.32% (2016: 6.27%)

Administrative expenses: £7,769,026 (2016: £6,798,095)

Operating profit: £1,270,672 (2016: £1,204,114)

The year to April 2017 saw an increase in turnover mainly driven by the development of the retail distribution channel. Whilst this channel traditionally has a lower % gross margin than other channels the development of higher margin non mobile product categories has reduced this effect. These include building relationships with home connectivity, drone, virtual reality (VR) and augmented reality (AR) manufacturers and further development of Value Added Services (VAS) where it offers additional services such as financing and extended warranty to its customers. Furthermore the company has continued to create a strong footprint for reselling mobile device management (MDM) software and trade in solutions for its customer base. The company continues to focus and invest in these higher margin non mobile product categories in 2017. Administrative expenses include some of the investment necessary to manage an expanding customer and supplier base and this has reduced as a % of turnover from 5.1% in 2016 to 5.0% in 2017 as the investments start to pay off.

The directors are satisfied with the company's financial performance for the year.

## Strategic report (continued)

For the year ended 30 April 2017

### 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 liquidity 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.

#### 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.

The company has access to undrawn committed borrowing facilities of an additional £12,295,377 (2016: £12,492,489).

#### 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.

### Recruitment and employee relations

The company's performance relies on the selection, development and retention of highly talented employees. Wherever possible the company attempts to promote from within in order to develop staff and create opportunities for career development.

Maintaining the quality when hiring, is ensured through utilising the company's own tools and skills in the selection and assessment process. The company maintains a preferred supplier list of agencies that can be utilised to cover peaks in workload. These are carefully selected and their outputs closely monitored to ensure there is no variation in standards.

Recruitment policies are designed to ensure equal opportunity of employment regardless of age, race or sex. Appropriate consideration is given to disabled applicants in offering employment. Good relations are maintained with employees by regular meetings within their operational teams compatible with the team's particular circumstances. Senior management are kept informed through regular monthly or more frequent meetings as required.

This report was approved by the board on 27 October 2017 and signed on its behalf.

N Willcox  
Director







## 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 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Directors' Responsibilities Statement 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 FRC Ethical Standards website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2017 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.



## Independent auditor's report to the members of Data Select Limited (continued)

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

### **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.

A handwritten signature in black ink, appearing to read "Paul Etherington".

Paul Etherington BSc FCA CF (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Reading  
Date: 30 October 2017

## Statement of comprehensive income

For the year ended 30 April 2017

	Note	2017 £	2016 £
Turnover	4	156,026,525	133,029,818
Cost of sales		(146,162,265)	(124,683,782)
<b>Gross profit</b>		<b>9,864,260</b>	<b>8,346,036</b>
Distribution costs		(824,562)	(343,827)
Administrative expenses		(7,769,026)	(6,798,095)
<b>Operating profit</b>	5	<b>1,270,672</b>	<b>1,204,114</b>
Interest payable and expenses	8	(347,093)	(368,398)
Dividend income	9	657,394	-
<b>Profit before tax</b>		<b>1,580,973</b>	<b>835,716</b>
Tax on profit	10	320,917	(161,091)
<b>Profit for the financial year</b>		<b>1,901,890</b>	<b>674,625</b>
<b>Total comprehensive income for the year</b>		<b>1,901,890</b>	<b>674,625</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 11 to 24 form part of these financial statements.

Data Select Limited  
Registered number:03662640

## Statement of financial position

As at 30 April 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	11	1,512,948	1,789,828
Investments	12	35,971	35,971
		<u>1,548,919</u>	<u>1,825,799</u>
<b>Current assets</b>			
Stocks	13	5,477,594	14,209,453
Debtors: amounts falling due within one year	14	44,240,526	40,266,439
Cash at bank and in hand	15	32,024	399,135
		<u>49,750,144</u>	<u>54,875,027</u>
Creditors: amounts falling due within one year	16	(37,771,356)	(45,075,009)
<b>Net current assets</b>		<u>11,978,788</u>	<u>9,800,018</u>
<b>Total assets less current liabilities</b>		<u>13,527,707</u>	<u>11,625,817</u>
<b>Net assets</b>		<u><u>13,527,707</u></u>	<u><u>11,625,817</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	2	2
Profit and loss account	19	13,527,705	11,625,815
		<u><u>13,527,707</u></u>	<u><u>11,625,817</u></u>

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

N Willcox  
Director



Date: 27 October 2017

The notes on pages 11 to 24 form part of these financial statements.

## Statement of changes in equity

For the year ended 30 April 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2016	2	11,625,815	11,625,817
Profit for the year	-	1,901,890	1,901,890
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,901,890</b>	<b>1,901,890</b>
<b>At 30 April 2017</b>	<b>2</b>	<b>13,527,705</b>	<b>13,527,707</b>

## Statement of changes in equity

For the year ended 30 April 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2015	2	10,951,190	10,951,192
Profit for the year	-	674,625	674,625
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>674,625</b>	<b>674,625</b>
<b>At 30 April 2016</b>	<b>2</b>	<b>11,625,815</b>	<b>11,625,817</b>

The notes on pages 11 to 24 form part of these financial statements.

## Notes to the financial statements

For the year ended 30 April 2017

### 1. General information

Data Select Limited is a private limited company, registered in England and Wales. The registered office and principal place of business is Network House, Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY.

The principal activities of the company are sale and distribution of wireless technology and services.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 3 "Financial Statement Presentation", paragraph 17(d);
- The requirements of Section 7 "Statement of Cash Flows";
- The requirements of Section 11 "Basic Financial Instruments", paragraphs 41(b), 41(c), 41(e), 42, 48(a)(iii), 48(b) and 48(c); and
- The requirements of Section 33 "Related Party Disclosures", paragraph 7.

This information is included in the consolidated financial statements of Brandpath Group Limited as at 30 April 2017. These financial statements may be obtained from Companies House.

#### 2.3 Going concern

The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in the Directors' report, Strategic report and primary statements.

The directors have reviewed the company's business plan and forecasts for the 12 months from the date of signing the financial statements and 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.

## Notes to the financial statements

For the year ended 30 April 2017

### 2. Accounting policies (continued)

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of hardware is recognised upon despatch to the customer. In addition, Management is required to make estimates in determining the amount and timing of recognition of commercial income for some transactions with suppliers. In determining the amount of volume-related allowances recognised in any period, management estimate the probability that the Company will meet contractual target volumes, based on historical and forecast performance. Management assesses its performance against the obligations conditional on earning the commercial income, with income recognised either over time as obligations are met, or recognised at the point when all obligations are met, dependent on the contractual requirements. Commercial income is recognised as a credit within cost of sales or included in the value of stock should the stock be on hand at the end of the period. Where commercial income is not related to stock it is included in revenue.

Revenue from the provision of services is recognised as the service is provided.

#### 2.5 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

#### 2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

## Notes to the financial statements

For the year ended 30 April 2017

### 2. Accounting policies (continued)

#### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

#### 2.8 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.9 Deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



## Notes to the financial statements

For the year ended 30 April 2017

### 2. Accounting policies (continued)

#### 2.10 Foreign currencies

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

#### 2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.14 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## Notes to the financial statements

For the year ended 30 April 2017

### 2. Accounting policies (continued)

#### 2.15 Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

#### 2.16 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments are measured at amortised cost using the effective interest method.

Financial assets are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.17 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

#### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

## Notes to the financial statements

For the year ended 30 April 2017

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

#### Debtors

Management applies judgment in evaluating the recoverability of debtors. This judgment is based on the ageing profile of debtors and historical experience. To the extent that the Directors believe debtors not to be recoverable they have been provided for in the financial statements.

#### Stock

Management applies judgment in evaluating stock for obsolescence. This judgment is based on management knowledge of the stock and customer demand, as well as stock age. At each balance sheet date, stocks are assessed for impairment and written down where appropriate.

#### Investments

The company considers whether investments held in subsidiaries are impaired each year. Where indicators of impairment are identified the carrying value of the investment is compared to the underlying net assets of the subsidiary and expected future performance and provisions are recognised where required.

#### Deferred tax assets

The company considers whether deferred tax assets should be recognised each year. The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against future taxable profits. Therefore deferred tax assets are not recognised if the company is making a taxable loss.

### 4. Turnover

Turnover is attributable to the principal activities of the business as described in the Directors' report.

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.

### 5. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets ( See Note 11)	308,517	352,699
Difference on foreign exchange	294,754	362,049
Operating lease rentals	619,350	535,153
Defined contribution pension cost (See Note 7)	36,949	32,307
	<u>1,259,570</u>	<u>1,282,208</u>

During the year, no director received any emoluments (2016: £Nil) in Data Select Limited. The directors' remuneration is borne by the parent company and not apportioned in respect to Data Select Limited.

# Notes to the financial statements

For the year ended 30 April 2017

## 6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>35,000</u>	<u>35,000</u>

The amount shown above is the auditors remuneration in respect of the company. The amount was borne by another member of the group headed Brandpath Group Limited.

## 7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,939,214	4,045,952
Social security costs	392,530	342,105
Other pension costs	36,949	32,307
	<u>4,368,693</u>	<u>4,420,364</u>

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

	2017 No.	2016 No.
Sales and purchasing	30	47
Administration and other	100	86
	<u>130</u>	<u>133</u>

## 8. Interest payable

	2017 £	2016 £
On bank borrowings	<u>347,093</u>	<u>368,398</u>

## 9. Dividend income

	2017 £	2016 £
Dividend income	<u>657,394</u>	<u>-</u>

# Notes to the financial statements

For the year ended 30 April 2017

## 10. Taxation

	2017 £	2016 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(320,917)	161,091

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	1,580,973	835,716
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	316,195	167,143
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(128,495)	-
Capital allowances for year in excess of depreciation	22,033	82,171
Unrelieved tax losses carried forward	25,248	110,996
Utilisation of losses created by prior year adjustment	-	(199,219)
Short term timing difference leading to an increase in taxation	(234,980)	-
Changes in provisions leading to an increase (decrease) in the tax charge	(199,206)	-
Utilisation of carried forward losses	(121,712)	-
<b>Total tax charge for the year</b>	<b>(320,917)</b>	<b>161,091</b>

### Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective 1 April 2017) and from 19% to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

# Notes to the financial statements

For the year ended 30 April 2017

## 11. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Total £
<b>Cost</b>			
At 1 May 2016	2,601,058	2,070,216	4,671,274
Additions	6,234	25,403	31,637
At 30 April 2017	<u>2,607,292</u>	<u>2,095,619</u>	<u>4,702,911</u>
<b>Depreciation</b>			
At 1 May 2016	988,082	1,893,364	2,881,446
Charge for the year on owned assets	198,759	109,758	308,517
At 30 April 2017	<u>1,186,841</u>	<u>2,003,122</u>	<u>3,189,963</u>
<b>Net book value</b>			
At 30 April 2017	<u>1,420,451</u>	<u>92,497</u>	<u>1,512,948</u>
At 30 April 2016	<u>1,612,976</u>	<u>176,852</u>	<u>1,789,828</u>

# Notes to the financial statements

For the year ended 30 April 2017

## 12. Fixed asset investments

	Investments in subsidiary undertakings £
<b>Cost</b>	
At 1 May 2016	35,971
At 30 April 2017	<u>35,971</u>
<b>Net book value</b>	
At 30 April 2017	<u>35,971</u>
At 30 April 2016	<u>35,971</u>

### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Data Select LLC (registered in Qatar)	Ordinary	49%	Sale and distribution of wireless technology products

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

## 13. Stocks

	2017 £	2016 £
Goods for resale	<u>5,477,594</u>	<u>14,209,453</u>

# Notes to the financial statements

For the year ended 30 April 2017

## 14. Debtors

	2017 £	2016 £
Trade debtors	18,023,728	19,649,388
Amounts owed by group undertakings	24,227,215	17,636,847
Other debtors	940,529	2,087,994
Prepayments and accrued income	514,961	678,140
Tax recoverable	-	894
Deferred tax asset (See Note 17)	534,093	213,176
	<u>44,240,526</u>	<u>40,266,439</u>

## 15. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	32,024	399,135
Less: bank overdrafts ( See Note 16)	(3,724,917)	(1,364,326)
	<u>(3,692,893)</u>	<u>(965,191)</u>

## 16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	3,724,917	1,364,326
Bank loans	8,979,706	10,143,186
Trade creditors	15,190,948	26,657,838
Amounts owed to group undertakings	6,128,178	4,217,359
Other taxation and social security	1,943,008	1,455,928
Other creditors	1,418,458	949,340
Accruals and deferred income	386,141	287,032
	<u>37,771,356</u>	<u>45,075,009</u>

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 2017

## 17. Deferred taxation

	2017 £	2016 £
At beginning of year	213,176	374,267
Charged to profit or loss	320,917	(161,091)
<b>At end of year</b>	<b>534,093</b>	<b>213,176</b>

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	42,745	(76,152)
Tax losses carried forward	491,348	289,328
	<b>534,093</b>	<b>213,176</b>

## 18. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	2	2

## 19. Reserves

Called-up share capital - represents the nominal value of share that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

## 20. Contingent liabilities

A group banking arrangement was signed in the year, making an overdraft facility available to Data Select Limited. As part of this agreement, it is party to a cross-guarantee with Phones International Group Limited, Data Select Network Solutions Limited, Brandpath Supply Chain Limited, Data Select Group Limited, and Network House Property Limited, giving Lloyds Bank plc a fixed and floating charge over their assets.

At the year-end, the company had a contingent liability of £Nil (2016: £Nil) in respect of this agreement.

# Notes to the financial statements

For the year ended 30 April 2017

## 21. Capital commitments

There were no capital commitments as at 30 April 2017 or 30 April 2016.

## 22. Pension commitments

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

## 23. Commitments under operating leases

At 30 April 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	1,159,134	429,108
Later than 1 year and not later than 5 years	3,929,430	1,591,276
Later than 5 years	3,650,000	-
	<u>8,738,564</u>	<u>2,020,384</u>

## 24. Related party transactions

Data Select Limited rented the Marlow property from Network House Property Limited. Rent charged is considered to be market rent and amounted to £115,833. For nine months of the prior year, the property was rented from P Jones CBE, a director at an amount of £535,153.

	2017 £	2016 £
Net sales to Jessops Europe Limited	1,578,208	1,242,700
Net sales to Bladez Toyz Plc	65,449	30,684
Net sales to Wines 4 Business Limited	-	1,026
Net sales to Hair Rehab London Limited	295	-
Net sales to Alda Capital Limited	6,162	5,356
Net purchases from Red Letter Days Limited	(15,752)	(17,625)
Net sales/(purchases) from The Peter Jones Foundation	225	(2,000)
	<u>1,634,545</u>	<u>1,260,141</u>

## Notes to the financial statements

For the year ended 30 April 2017

At the balance sheet date the following amounts were due from/(owed to) related parties:

	2017	2016
	£	£
Red Letter Days Limited	-	(1,030)
Bladez Toyz Plc	30,205	-
The Peter Jones Foundation	270	-
Jessops Europe Limited	744,736	93,065
Hair Rehab London Limited	4,005	-
	<u>779,216</u>	<u>92,035</u>

The above are considered related party as a result of common directorship. Transactions with other wholly-owned group members have not been disclosed, as this is not required by FRS 102.

### 25. Post balance sheet events

On 2 May 2017, the group underwent a major restructure. Following the restructure, the largest and smallest group of undertakings for which publicly available group financial statements will be drawn up including this company will now be that headed by Data Select Group Ltd.

The immediate parent undertaking, the ultimate parent undertaking and the ultimate controlling party of the company remain the same.

### 26. Ultimate controlling party

The directors consider the immediate parent undertaking of this company to be Phones International Group Limited, which is registered in England and Wales.

The directors consider the ultimate parent undertaking of this company to be PJ Investment Group Limited, which is registered in Jersey.

The largest and smallest group of undertakings for which group financial statements have been drawn up including this company is that headed by Brandpath Group Limited, whose financial statements are publically available from Companies House.

The ultimate controlling party of the company is P Jones CBE as a result of being the sole shareholder in the ultimate parent company PJ Investment Group Limited.