

Company Registration No. 03662640 (England and Wales)

**DATA SELECT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2019**

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# DATA SELECT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P Jones CBE S Madhani E Garvey
<b>Secretary</b>	E Garvey
<b>Company number</b>	03662640
<b>Registered office</b>	Arrowhead Park Arrowhead Road Theale Reading England RG7 4AH
<b>Auditor</b>	Ernst & Young LLP Apex Plaza Forbury Road Reading Berkshire RG1 1YE
<b>Bankers</b>	HSBC Bank Plc Fifth Floor Reading RG1 1AX
<b>Solicitors</b>	Osborne Clarke 2 Temple Back East Temple Quay Bristol Avon BS1 6EG

# **DATA SELECT LIMITED**

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# DATA SELECT LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 APRIL 2019**

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The directors present their annual report and financial statements for the year ended 30 April 2019.

### Principal activities

The principal activities of the company continued to be that of sale and distribution of wireless technology.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Jones CBE

T Taylor

(Appointed 12 September 2019 and resigned 8 November 2019)

S Madhani

(Appointed 12 September 2019)

E Garvey

(Appointed 12 September 2019)

N Willcox

(Resigned 12 September 2019)

F Donovan

(Resigned 3 September 2019)

### Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions, subject to the conditions set out in section 234 of the Companies Act 2006, for the benefit of its directors during the year. These provisions remain in force at the reporting date.

### Post reporting date events

On 12 September 2019, the company was 100% acquired by Westcoast (Holdings) Limited and all banking security held in favour of HSBC was released. The Company now takes advantage of the new group's invoice discounting facility with a syndicate of banks and lead by Lloyds Bank PLC.

On the 11th March 2020 the World Health Organisation declared the coronavirus a pandemic, Covid-19. The directors note that the long term impact of COVID-19 is still not known, however the company is well placed to manage any challenges arising given its liquidity position, borrowing facilities and financial support from the ultimate parent company of the group, Westcoast (Holdings) Limited. Data Select have strong controls in place for the recovery of trade debtors and management of working capital and will consider utilisation of governmental support schemes if relevant and applicable. Having modelled a number of potential downside scenarios we are confident that the Company will continue to operate as a going concern and that we are well placed during this uncertain time to help to support key services and workers of the United Kingdom by continuing to distribute hardware and services.

### Future developments

An indication of likely future developments is included in the strategic report.

# **DATA SELECT LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2019**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 judgements 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 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.

### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of information on financial instruments, equal opportunity recruitment and employee relations.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### **Going concern**

The financial position of the company, its liquidity position and borrowing facilities are described in the strategic report, directors' report and primary statements.

The directors have reviewed the company's future business plan and forecasts for the 12 months from the date of signing the financial statements and have discussed the banking facilities with its banking partners and evaluated relationships with key suppliers. The business continues to hold sufficient cash reserve and has a letter of support from the ultimate parent company of the group.

The directors note that the long term impact of both Brexit and Covid-19 is still not known, however the company is well placed to manage any challenges arising given its liquidity position, borrowing facilities and financial support from the ultimate parent company of the group, Westcoast (Holdings) Limited in addition to any support obtained through Government initiatives to support business in the UK. In the short term Data Select has not experienced a downturn in trading performance or its financial position as a result of Covid-19 given the nature of the business.

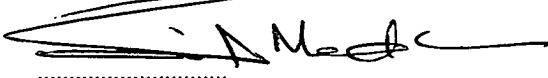
As a result, the directors believe that the company has adequate resources to continue operations for the foreseeable future. Accordingly, we continue to adopt the going concern basis in preparing the financial statements.

**DATA SELECT LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 APRIL 2019**

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On behalf of the board

A handwritten signature in black ink, appearing to read 'S Madhani', is written over a horizontal line.

.....  
S Madhani

Director

Date: .....

24 June 2020

# DATA SELECT LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2019**

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

- the appropriate level of background context for these financial statements;
- analysis of the company's past performance; and
- insight into the company's main objectives and strategies, 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 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 and profitability.

During the year the company generated:

Turnover: £160,615,338 (2018 restated: £151,722,372)

Gross margin: 5.71% (2018 restated: 7.12%)

EBITDA: £1,527,716 (2018: £1,466,368)

Operating profit: £1,460,120 (2018: £1,281,128)

The year to April 2019 saw a 6% increase in turnover (from £151,722,372 restated in 2018 to £160,615,338) primarily due to growth in the business to business (B2B) sales channel, with further development of our value added services (VAS) with additional services such as financing and extended warranty. Furthermore the company continues to create a strong footprint for reselling mobile device management (MDM) software and trade in solutions for its customer base.

Margins have been squeezed as a result of competitive trading conditions however the revenue growth led to improved EBITDA thanks to an effective overhead control strategy. Operating profit has also improved, partly due to some non-recurring costs being incurred in the prior year.

On 6th November 2018 the fulfilment operations held in Data Select Limited were transferred out to Brandpath UK Limited, a company under common control. No assets or liabilities were transferred. The fulfilment operations include inventory management, storage and shipment of stock for third parties.

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

# **DATA SELECT LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2019**

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### **Principal risks and uncertainties**

The directors consider that the below are the principal risks that could potentially materially impair the company's future operations and profitability:

#### **No deal Brexit**

The directors have been planning for a number of months the risk of the UK exiting the EU with no transition period and no trade agreement with the EU. The vast majority of the company's business is conducted in UK with UK based customers and with UK based representatives of the main technology brands. However, the company has been working closely with its key suppliers and partners to minimise any disruption to the supply chain. Furthermore the company has been working with any employees who hold EU passports by providing support and guidance. As a result of the planning the directors believe the operational impact of a no deal Brexit has been minimised although the macro economic impact remains uncertain.

The directors also closely manage costs and overheads to ensure these are enough to sustain planned level of business whilst having plans in place to mitigate any prolonged reduction in business as a result of a no deal Brexit.

The majority of the company's purchases are in GBP with some in Euros and USD. Where material the company hedges known future foreign currency liabilities.

#### **Competition**

The company operates in a competitive market in the UK. The company's customer base is large and, as a result of continuing to meet the customers' demands, has remained relatively stable. Continuing close collaboration with suppliers coupled with development of the customer base has ensured the company's supplier base remains stable.

The company periodically goes through a tender review process on its significant supply contracts from which both risks and opportunities arise. The strong and close relationships that the company maintains with suppliers and its prominent position in the market contribute towards mitigating this risk.

#### **Financial risk management objectives and policies**

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 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 liquidity risk by undertaking prudent cashflow forecasting, ensuring that adequate facilities are in place and maintained, and generating positive cashflows in order to meet foreseeable needs and to invest cash assets safely and profitably.

#### **Credit risk**

The company's principal financial assets are cash, trade debtors and amounts due from group undertakings. 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. The company insures the majority of its trading debts.



# DATA SELECT LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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### 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 teams' particular circumstances. Senior management are kept informed through regular monthly or more frequent meetings as required.

### COVID-19

The global pandemic creates multiple challenges for almost all companies, ranging from supply chain disruption to logistical problems to cash management. This is a developing situation however the company is well placed to weather any short-medium term difficulties through a combination of Governmental initiatives available, access to funding and sufficient reserves. Furthermore, the company has a robust business continuity plan including remote working. The company's product set is important to support remote working and its customer base includes a number of public sector clients whose operations are crucial to the governments response to Covid-19 ensuring a degree of continuity of demand.

On behalf of the board



.....  
S Madhani  
Director  
.....

24 June 2020

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DATA SELECT LIMITED**

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### **Opinion**

We have audited the financial statements of Data Select Limited for the year ended 30/04/2019 which comprise the Statement of comprehensive income, Statement of financial position, the Statement of changes in equity, and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30/04/2019 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter - Effects of Covid-19**

We draw attention to note 1 and Note 22 of the financial statements, which describes the economic and social consequences the company is facing as a result of Covid-19 which is impacting supply chains and personnel being able to access offices. Our opinion is not modified in respect of this matter.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF DATA SELECT LIMITED**

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#### **Other information**

The other information comprises the information included in the annual report set out in pages 1-6, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions 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 the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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 or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF DATA SELECT LIMITED**

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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.



**Paul Etherington (Senior Statutory Auditor)**  
**for and on behalf of Ernst & Young LLP, Statutory Auditor**  
**Reading**

**Date** 24 June 2020

## DATA SELECT LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Continuing operations	Discontinued operations	30 April 2019	Continuing operations restated	Discontinued operations	30 Apr 2018 restated
		£	£	£	£	£	£
Turnover	3	158,698,872	1,916,466	160,615,338	148,351,061	3,371,311	151,722,372
Cost of sales		(151,428,207)	-	(151,428,207)	(140,913,415)	-	(140,913,415)
Gross profit		7,270,665	1,916,466	9,187,131	7,437,646	3,371,311	10,808,957
Distribution costs		(975,547)	70,723	(904,824)	(1,289,856)	450,788	(839,068)
Administrative expenses		(4,502,621)	(2,251,970)	(6,754,591)	(4,242,817)	(4,260,704)	(8,503,521)
Earnings before interest, tax, depreciation and amortisation		1,792,497	(264,781)	1,527,716	1,904,973	(438,605)	1,466,368
Depreciation		(36,568)	-	(36,568)	(81,839)	-	(81,839)
(Loss) / gain on foreign exchange		(31,028)	-	(31,028)	139,896	-	139,896
Non-recurring costs		-	-	-	(243,297)	-	(243,297)
Operating profit	4	1,724,901	(264,781)	1,460,120	1,719,733	(438,605)	1,281,128
Dividend income	8	-	-	-	650,803	-	650,803
Interest payable and similar expenses	9	(627,224)	-	(627,224)	(378,813)	-	(378,813)
Profit before taxation		1,097,677	(264,781)	832,896	1,991,723	(438,605)	1,553,118
Tax on profit	10	(14,131)	-	(14,131)	145,080	-	145,080
Profit for the financial year		1,083,546	(264,781)	818,765	2,136,803	(438,605)	1,698,198

No other comprehensive income has been generated by the company.

# DATA SELECT LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12		121,878		149,399
<b>Current assets</b>					
Stocks	13	7,991,158		7,775,239	
Debtors	14	60,532,808		64,688,704	
Cash at bank and in hand		-		119,873	
		68,523,966		72,583,816	
<b>Creditors: amounts falling due within one year</b>	15	(52,601,174)		(57,507,310)	
<b>Net current assets</b>			15,922,792		15,076,506
<b>Total assets less current liabilities</b>			16,044,670		15,225,905
<b>Capital and reserves</b>					
Called up share capital	19		2		2
Profit and loss reserves			16,044,668		15,225,903
<b>Total equity</b>			16,044,670		15,225,905

The financial statements were approved by the board of directors and authorised for issue on 24 June 2020 and are signed on its behalf by:



S Madhani  
Director

Company Registration No. 03662640

# DATA SELECT LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 May 2017	2	13,527,705	13,527,707
Year ended 30 April 2018:			
Profit and total comprehensive income for the year	-	1,698,198	1,698,198
Balance at 30 April 2018	2	15,225,903	15,225,905
Year ended 30 April 2019:			
Profit and total comprehensive income for the year	-	818,765	818,765
Balance at 30 April 2019	2	16,044,668	16,044,670

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

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### 1 Accounting policies

#### Company information

Data Select Limited is a private company limited by shares incorporated in England and Wales. The registered office is Arrowhead Park, Arrowhead Road, Theale, Reading, England, RG7 4AH.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Data Select Group Limited. These consolidated financial statements are available from Companies House.

#### Going Concern

The directors have reviewed the company's future business plan and forecasts for the 12 months from the date of signing the financial statements and have discussed the banking facilities with its banking partners and evaluated relationships with key suppliers. The business continues to hold sufficient cash reserves and has a letter of support from the ultimate parent company of the group. The directors note that the long term impact of both Brexit and Covid-19 is still not known, however the company is well placed to manage any challenges arising given its liquidity position, borrowing facilities and financial support from the ultimate parent company of the group, Westcoast (Holdings) Limited in addition to any support obtained through Government initiatives to support business in the UK. In the short-term Data Select has not experienced a downturn in trading performance or its financial position as a result of Covid-19 given the nature of the business.

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.



# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 1 Accounting policies

(Continued)

#### 1.2 Prior period restatement

The comparative statement of comprehensive income and the associated note have been restated to correctly reflect volume rebates as a reduction in turnover as opposed to an increase in cost of sales. As a result the FY2018 turnover and cost of sales amounts reduced by £4,419,341.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover from the sale of hardware is recognised upon dispatch 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 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.

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

The company performs 'bill and hold' transactions where the company invoices 3rd parties for stock but the stock remains in the warehouse awaiting shipment to end consumers on behalf of the 3rd party. Revenue is recognised at the time of invoicing the 3rd party provided: i) the arrangement with the 3rd party is substantive, ii) the product is separately identified as belonging to the 3rd party, iii) the product is ready for delivery in accordance with the contract terms, iv) the company no longer has the ability to use or sell the product to another vendor.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Such cost includes costs directly attributable to making the asset operate as intended.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### 1.5 Stocks

Stocks are stated at the lower of cost and net realisable value, which is based on estimated selling price less any further costs expected to be incurred to completion. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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### 1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and loans to related parties.

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

Financial assets are measured at cost and 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.

#### 1.8 Taxation

The tax expense represents the sum of current and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

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 is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and is measured on an undiscounted basis.

#### 1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 1 Accounting policies

(Continued)

#### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Amounts due but not paid are shown in accruals as a liability in the statement of financial position.

#### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

#### 1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### **Debtors**

Management applies judgement in evaluating the recoverability of debtors. The judgement 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.

Where the company operates 'bill and hold' sales the revenue and debtor are recognised at point of invoice.

#### **Stock**

Management applies judgement in evaluating stock for obsolescence. This judgement 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.

Where the company operates 'bill and hold' sales stock is reduced at point of invoice.

#### **Deferred tax assets**

The company considers whether deferred tax should be recognised each year. The recognition of deferred tax assets is limited to the extent that 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.

#### **Operating leases**

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 2 Judgements and key sources of estimation uncertainty

(Continued)

the company obtains use of property as a lessee. the classification of such leases as an operating or finance lease requires the company to determine, based on the evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset or liability to be recognised in the statement of financial position.

### 3 Turnover and other revenue

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

	2019 £	2018 restated £
<b>Turnover analysed by class of business</b>		
Goods - continuing operations	158,698,872	143,931,720
Services - discontinued operations	1,916,466	3,371,311
	<u>160,615,338</u>	<u>151,722,372</u>

	2019 £	2018 £
<b>Other significant revenue</b>		
Dividends received	-	650,803
	<u>-</u>	<u>650,803</u>

	2019 £	2018 restated £
<b>Turnover analysed by geographical market</b>		
UK - continuing operations	154,070,119	147,400,993
Europe - continuing operations	1,395,706	852,535
Rest of World - continuing operations	3,233,047	3,468,844
UK - discontinued operations	1,916,466	-
	<u>160,615,338</u>	<u>151,722,372</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	31,028	(139,896)
Depreciation of owned tangible fixed assets	36,568	81,839
Operating lease charges	572,780	561,849
	<u>639,376</u>	<u>503,792</u>

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	38,015	35,000

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Sales and purchasing	29	40
Administration and other	50	99
	79	139

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	4,012,627	4,849,237
Social security costs	478,175	792,569
Pension costs	79,602	46,967
	4,570,404	5,688,773

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	367,600	246,500
Company pension contributions to defined contribution schemes	7,560	2,642
	375,160	249,142

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 7 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	367,600	246,500
Company pension contributions to defined contribution schemes	7,560	2,642

Services provided by other directors were incidental to the company.

### 8 Dividend income

	2019 £	2018 £
Income from fixed asset investments		
Income from shares in group undertakings	-	650,803

### 9 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	627,224	378,813

### 10 Taxation

	2019 £	2018 £
Deferred tax		
Origination and reversal of timing differences	14,131	(145,080)

#### Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 10 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	832,896	1,553,118
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	158,250	295,092
Tax effect of expenses that are not deductible in determining taxable profit	49,511	(1,430)
Tax effect of income not taxable in determining taxable profit	-	(123,653)
Group relief	(313,556)	(320,649)
Permanent capital allowances in excess of depreciation	6,453	(69,541)
Deferred tax adjustments in respect of prior years	14,131	(61,473)
Transfer pricing adjustments	99,342	136,574
Taxation charge/(credit) for the year	14,131	(145,080)

### 11 Discontinued operations

On 6th November 2018 the fulfilment operations held in Data Select Limited were transferred out to Brandpath UK Limited, a company under common control. No assets or liabilities were transferred. Fulfilment operations include inventory management, storage and shipment to end customers of stock for third parties.

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 12 Tangible fixed assets

	Leasehold improvements £	Computers £	Total £
<b>Cost</b>			
At 1 May 2018	392,579	533,214	925,793
Additions	14,857	33,499	48,356
Disposals	-	(39,334)	(39,334)
At 30 April 2019	407,436	527,379	934,815
<b>Depreciation and impairment</b>			
At 1 May 2018	286,196	490,198	776,394
Depreciation charged in the year	20,209	16,359	36,568
Eliminated in respect of disposals	-	(25)	(25)
At 30 April 2019	306,405	506,532	812,937
<b>Carrying amount</b>			
At 30 April 2019	101,031	20,847	121,878
At 30 April 2018	106,383	43,016	149,399

### 13 Stocks

	2019 £	2018 £
Finished goods and goods for resale	7,991,158	7,775,239

The difference between purchase price of stocks and their replacement cost is not material.

Stocks recognised as an expense in the period were £155,725,000 (2018: £145,299,000).

Impairment losses recognised in the period were £90,000 (2018: £49,000).

### 14 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	14,002,536	22,523,037
Amounts owed by group undertakings	45,122,533	38,183,245
Other debtors	184,965	2,793,707
Prepayments and accrued income	557,732	509,542
	59,867,766	64,009,531
Deferred tax asset (note 17)	665,042	679,173
	60,532,808	64,688,704



# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 15 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	16	21,353,285	14,703,332
Trade creditors		24,973,376	32,847,968
Amounts due to group undertakings		4,936,911	6,161,259
Other taxation and social security		585,770	1,538,147
Other creditors		529,424	1,493,078
Accruals and deferred income		222,408	763,526
		<u>52,601,174</u>	<u>57,507,310</u>

### 16 Loans and overdrafts

	2019 £	2018 £
Bank loans	11,610,730	14,703,332
Bank overdrafts	9,742,555	-
	<u>21,353,285</u>	<u>14,703,332</u>
Payable within one year	<u>21,353,285</u>	<u>14,703,332</u>

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

### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2019 £	Assets 2018 £
<b>Balances:</b>		
Accelerated capital allowances	144,089	126,352
Tax losses	520,953	552,821
	<u>665,042</u>	<u>679,173</u>

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 17 Deferred taxation (Continued)

	<b>2019</b>
<b>Movements in the year:</b>	<b>£</b>
Asset at 1 May 2018	(679,173)
Charge to profit or loss	14,131
Asset at 30 April 2019	<u>(665,042)</u>

£110,000 of the deferred tax asset set out above is expected to reverse within 12 months of the balance sheet date.

### 18 Retirement benefit schemes

	<b>2019</b>	<b>2018</b>
<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	<u>79,602</u>	<u>46,967</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

### 20 Financial commitments, guarantees and contingent liabilities

A group banking arrangement is in place which makes an overdraft facility available to Data Select Group Limited, Data Select Limited, Data Select Network Solutions Limited and PJ Media Limited. They are parties to a cross-guarantee in respect of this facility, giving HSBC Bank plc a fixed and floating charge over their assets. At the year-end, the company had a contingent liability of £Nil (2018: £Nil) in respect of this agreement.

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

### 21 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases for business premises, which fall due as follows:

	2019 £	2018 £
Within one year	1,089,108	1,089,108
Between two and five years	3,052,690	3,412,782
In over five years	2,068,000	2,800,000
	<u>6,209,798</u>	<u>7,301,890</u>

### 22 Events after the reporting date

On 12 September 2019, the company was 100% acquired by Westcoast (Holdings) Limited and all banking security held in favour of HSBC was released. The Company now takes advantage of the new group's invoice discounting facility with a syndicate of banks and lead by Lloyds Bank PLC.

On the 11th March 2020 the World Health Organisation declared the coronavirus a pandemic, Covid-19. The directors note that the long term impact of COVID-19 is still not known, however the company is well placed to manage any challenges arising given its liquidity position, borrowing facilities and financial support from the ultimate parent company of the group, Westcoast (Holdings) Limited. Data Select have strong controls in place for the recovery of trade debtors and management of working capital and will consider utilisation of governmental support schemes if relevant and applicable. Having modelled a number of potential downside scenarios we are confident that the Company will continue to operate as a going concern and that we are well placed during this uncertain time to help to support key services and workers of the United Kingdom by continuing to distribute hardware and services.

### 23 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2019 £	2018 £	2019 £	2018 £
Entities under common control	7,496,700	8,749,683	4,294,299	2,381,284
Entities with a common director (no common control)	38,007	15,657	9,000	5,500
	<u>7,534,707</u>	<u>8,765,340</u>	<u>4,303,299</u>	<u>2,386,784</u>

# DATA SELECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

### 23 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
<b>Amounts owed to related parties</b>		
Entities under common control	-	1,827,237
	<u>-</u>	<u>1,827,237</u>

The following amounts were outstanding at the reporting end date:

	2019 Balance £
<b>Amounts owed by related parties</b>	
Entities under common control	1,468,300
	<u>1,468,300</u>

	2018 Balance £
<b>Amounts owed by related parties in previous period</b>	
Entities under common control	16,611,713
Entities with a common director (no common control)	922
	<u>16,612,635</u>

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and settlement is expected within 30 days of invoice. During the year ended 30 April 2019, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2018: £nil).

The company has taken advantage of the exemption available under Section 33 'Related Party Disclosures' not to disclose balances with other wholly-owned members of the group.

# **DATA SELECT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2019**

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### **24 Controlling party**

At the reporting date, the directors consider the immediate parent undertaking of this company to be Data Select Group Limited, which is registered in England and Wales. On 12 September 2019, this changed to Westcoast (Holdings) Limited, which is also registered in England and Wales.

At the reporting date, the directors consider the ultimate parent undertaking of this company to be PJ Investment Group Limited, which is registered in Jersey. On 12 September 2019, this changed to Westcoast (Holdings) Limited, which is registered in England and Wales.

At the reporting date, the ultimate controlling party of the company was P Jones CBE as a result of being the sole shareholder in the ultimate parent company PJ Investment Group Limited. On 12 September 2019, this changed to A Hemani by virtue of his interest in the share capital of the ultimate parent company Westcoast (Holdings) Limited.

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