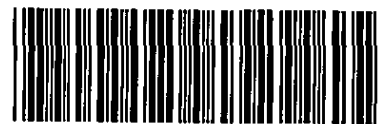


Registration number 02987598

Elte Mobile Limited
Directors' report and financial statements
for the year ended 31 December 2010

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Elite Mobile Limited

Company information

Directors	Mr K Gokani Mr R Dhamecha Mr A Gokani Mr A Dhamecha	Resigned 12 April 2010
Secretary	A Gokani	
Company number	02987598	
Registered office	Wembley Stadium Industrial Estate First Way Wembley Middlesex HA9 0TU	
Auditors	Nagle James Associates Limited 51-53 Station Road Harrow Middlesex HA1 2TY	
Bankers	Barclays Bank Plc Wembley and Park Royal AcornHouse 36/38 Park Royal Road London NW10 7JA	

Elite Mobile Limited

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Elite Mobile Limited

Directors' report for the year ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activity and review of the business

The principal activity of the company during the year continued to be wholesalers of mobile phones, accessories and suppliers to trade customers

The company operates in a highly competitive market place. The sales growth is very much dependent on the availability of new phone models being marketed by the handset manufacturers. The company continues to keep a close control over costs and the directors consider the results to be satisfactory.

Key performance indicators

The key financial indicators for the performance of the company are sales, profitability and a strong balance sheet. The key non-financial performance indicator is customer service satisfaction.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

The directors have taken all possible measures to ensure that its trading activities are properly controlled and only trade with customers after all the checks and processes have been completed.

Payments of creditors

The company does not follow any specified code or standard on payment practice. However, it is the company's policy to negotiate the terms with its suppliers and to ensure that they are aware of the terms of payment when business is agreed. It is the company's policy to abide by these terms.

Directors

The directors who served during the year are as stated below:

Mr K Gokani

Mr R Dhamecha

Mr A Gokani Resigned 12 April 2010

Mr A Dhamecha

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to

Elite Mobile Limited

**Directors' report
for the year ended 31 December 2010**

continued

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Nagle James Associates Limited are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006

This report was approved by the Board on ~~28 September 2011~~ and signed on its behalf by

Ketan Gokani

Mr K Gokani
Director

**Independent auditor's report to the shareholders of
Elite Mobile Limited**

We have audited the financial statements of Elite Mobile Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

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

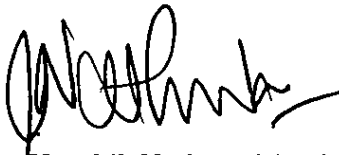
**Independent auditor's report to the shareholders of
Elite Mobile Limited**

continued

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



**Kaushik Nathwani (senior statutory auditor)
For and on behalf of Nagle James Associates Limited
Statutory Auditors
Chartered Accountants
51-53 Station Road
Harrow
Middlesex
HA1 2TY**

Date: 28 September 2011

Elite Mobile Limited

**Profit and loss account
for the year ended 31 December 2010**

		Continuing operations	
		2010	2009
	Notes	£	£
Turnover	2	102,222,672	83,506,642
Cost of sales		(94,977,028)	(77,697,652)
Gross profit		<u>7,245,644</u>	<u>5,808,990</u>
Administrative expenses		(4,539,230)	(3,785,130)
Operating profit	3	<u>2,706,414</u>	<u>2,023,860</u>
Other interest receivable and similar income	5	75,348	18,388
Interest payable and similar charges	6	<u>(21,113)</u>	<u>(7,607)</u>
Profit on ordinary activities before taxation		2,760,649	2,034,641
Tax on profit on ordinary activities	9	(815,638)	(580,157)
Profit for the year	19	<u>1,945,011</u>	<u>1,454,484</u>
Retained profit brought forward		11,617,208	10,162,724
Retained profit carried forward		<u>13,562,219</u>	<u>11,617,208</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years

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

Elite Mobile Limited

**Balance sheet
as at 31 December 2010**

		2010		2009	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		296,043		291,409
Investments	12		<u>2</u>		<u>2</u>
			296,045		291,411
Current assets					
Stocks	13	4,369,545		7,276,736	
Debtors	14	11,945,348		8,397,604	
Cash at bank and in hand		<u>5,984,620</u>		<u>1,272,420</u>	
		22,299,513		16,946,760	
Creditors: amounts falling due within one year	15	<u>(8,022,290)</u>		<u>(4,620,963)</u>	
Net current assets			<u>14,277,223</u>		<u>12,325,797</u>
Total assets less current liabilities			14,573,268		12,617,208
Provisions for liabilities	16		<u>(11,049)</u>		<u>-</u>
Net assets			<u>14,562,219</u>		<u>12,617,208</u>
Capital and reserves					
Called up share capital	18		1,000,000		1,000,000
Profit and loss account	19		<u>13,562,219</u>		<u>11,617,208</u>
Shareholders' funds	20		<u>14,562,219</u>		<u>12,617,208</u>

The financial statements were approved by the Board on 28 September 2011 and signed on its behalf by

Ketan Gokani

Mr K Gokani

Director

Registration number 02987598

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

Elite Mobile Limited

Cash flow statement for the year ended 31 December 2010

	Notes	2010 £	2009 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		2,706,414	2,023,860
Depreciation		99,169	118,674
Decrease /(Increase) in stocks		2,907,191	(2,140,492)
(Increase) in debtors		(3,547,744)	(3,211,527)
Increase /(Decrease) in creditors		2,596,738	(71,459)
Net cash inflow from operating activities		<u>4,761,768</u>	<u>(3,280,944)</u>
Cash flow statement			
Net cash inflow from operating activities		4,761,768	(3,280,944)
Returns on investments and servicing of finance	22	54,235	10,781
Taxation	22	-	(644,132)
Capital expenditure	22	(103,803)	(146,649)
Increase /(Decrease) in cash in the year		<u>4,712,200</u>	<u>(4,060,944)</u>
Reconciliation of net cash flow to movement in net funds (Note 23)			
Increase / (Decrease) in cash in the year		4,712,200	(4,060,944)
Net funds at 1 January 2010		<u>1,272,420</u>	<u>5,333,364</u>
Net funds at 31 December 2010		<u>5,984,620</u>	<u>1,272,420</u>

Elte Mobile Limited

Notes to the financial statements for the year ended 31 December 2010

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

The company has consistently applied all relevant accounting standards

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance

1.4. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

1.5. Stock

Stock is valued at the lower of cost and net realisable value

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Elite Mobile Limited

Notes to the financial statements for the year ended 31 December 2010

continued

1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account

2. Turnover

In the opinion of the directors it is considered to be prejudicial to the interests of the company to disclose information regarding turnover and therefore the geographical segments information has not been disclosed in the accounts

3. Operating profit

	2010 £	2009 £
Operating profit is stated after charging		
Depreciation and other amounts written off intangible assets	-	2
Depreciation and other amounts written off tangible assets	97,248	108,231
Loss on disposal of tangible fixed assets	1,921	10,441
Auditors' remuneration (Note 4)	17,700	15,725
	<u> </u>	<u> </u>
and after crediting		
Net foreign exchange gain	282,891	156,563
	<u> </u>	<u> </u>

Elite Mobile Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

4. Auditors' remuneration

	2010	2009
	£	£
Auditors' remuneration - audit of the financial statements	<u>17,700</u>	<u>15,725</u>

5. Interest receivable and similar income

	2010	2009
	£	£
Bank interest	5,567	18,388
Other interest	69,781	-
	<u>75,348</u>	<u>18,388</u>

6. Interest payable and similar charges

	2010	2009
	£	£
On loans and overdrafts	12,240	2,888
Other interest	8,873	4,719
	<u>21,113</u>	<u>7,607</u>

7. Employees

Number of employees	2010	2009
The average monthly numbers of employees (including the directors) during the year were		
Administration staff	55	55
Sales and marketing staff	31	31
	<u>86</u>	<u>86</u>

Employment costs

	2010	2009
	£	£
Wages and salaries	2,738,729	2,618,297
Social security costs	258,262	256,972
Pension costs-other operating charge	10,000	-
	<u>3,006,991</u>	<u>2,875,269</u>

Elite Mobile Limited

**Notes to the financial statements
for the year ended 31 December 2010**

. continued

7.1. Directors' remuneration	2010	2009
	£	£
Remuneration and other emoluments	<u>105,000</u>	<u>150,000</u>

8. Pension costs

The company operates a defined contribution pension scheme. The pension charge represents contributions payable by the company and amounted to £10,000 (2009 - £-)

Elite Mobile Limited

Notes to the financial statements for the year ended 31 December 2010

continued

9. Tax on profit on ordinary activities

Analysis of charge in period	2010 £	2009 £
Current tax		
UK corporation tax at 28.00% (2009 - 28.00%)	813,486	580,157
Adjustments in respect of previous periods	(8,897)	-
	<u>804,589</u>	<u>580,157</u>
Total current tax charge	<u>804,589</u>	<u>580,157</u>
Deferred tax		
Timing differences, origination and reversal	11,049	-
Total deferred tax	<u>11,049</u>	<u>-</u>
Tax on profit on ordinary activities	<u>815,638</u>	<u>580,157</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (28.00 per cent). The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>2,760,649</u>	<u>2,034,641</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.00% (31 December 2009 - 28.00%)	772,982	569,699
Effects of:		
Expenses not deductible for tax purposes	55,436	8,117
Capital allowances for period in excess of depreciation	(14,932)	2,341
Previous years tax charge	(8,897)	-
Current tax charge for period	<u>804,589</u>	<u>580,157</u>

Elite Mobile Limited

**Notes to the financial statements
for the year ended 31 December 2010**

. continued

10. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 January 2010	780,088	780,088
At 31 December 2010	<u>780,088</u>	<u>780,088</u>
Amortisation		
At 1 January 2010	780,088	780,088
At 31 December 2010	<u>780,088</u>	<u>780,088</u>

11. Tangible fixed assets

	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2010	116,821	1,071,082	205,310	1,393,213
Additions	-	97,518	25,785	123,303
Disposals	-	-	(53,313)	(53,313)
At 31 December 2010	<u>116,821</u>	<u>1,168,600</u>	<u>177,782</u>	<u>1,463,203</u>
Depreciation				
At 1 January 2010	116,821	884,865	100,118	1,101,804
On disposals	-	-	(31,892)	(31,892)
Charge for the year	-	70,933	26,315	97,248
At 31 December 2010	<u>116,821</u>	<u>955,798</u>	<u>94,541</u>	<u>1,167,160</u>
Net book values				
At 31 December 2010	<u>-</u>	<u>212,802</u>	<u>83,241</u>	<u>296,043</u>
At 31 December 2009	<u>-</u>	<u>186,217</u>	<u>105,192</u>	<u>291,409</u>

Elite Mobile Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

12. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2010		
At 31 December 2010	2	2
	<u>2</u>	<u>2</u>
Net book values		
At 31 December 2010	2	2
	<u>2</u>	<u>2</u>
At 31 December 2009	2	2
	<u>2</u>	<u>2</u>
The company owns 100% of the issued share capital of Fone Range Limited, a company incorporated in the U K, which is dormant		
13. Stocks	2010 £	2009 £
Finished goods and goods for resale	4,369,545	7,276,736
	<u>4,369,545</u>	<u>7,276,736</u>
14. Debtors	2010 £	2009 £
Trade debtors	3,738,006	7,165,805
Other debtors	6,365,698	417,309
Prepayments and accrued income	1,841,644	814,490
	<u>11,945,348</u>	<u>8,397,604</u>

Elite Mobile Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

15. Creditors: amounts falling due within one year	2010 £	2009 £
Trade creditors	5,813,106	3,473,539
Amounts owed to connected companies	27,853	-
Corporation tax	1,384,746	580,157
Other taxes and social security costs	98,942	70,231
Other creditors	10,390	381
Accruals and deferred income	687,253	496,655
	<u>8,022,290</u>	<u>4,620,963</u>

The bank overdraft facility and borrowings are secured by a limited guarantee by the directors of the company and are also secured against the assets of the company

16. Provisions for liabilities

	Deferred taxation (Note 17) £	Total £
Movements in the year	11,049	11,049
At 31 December 2010	<u>11,049</u>	<u>11,049</u>

17. Provision for deferred taxation	2010 £	2009 £
Accelerated capital allowances	11,049	-
Provision for deferred tax	<u>11,049</u>	<u>-</u>
Deferred tax charge in profit and loss account	11,049	
Provision at 31 December 2010	<u>11,049</u>	

Elite Mobile Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

18. Share capital	2010	2009
	£	£
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Equity Shares		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
19. Equity Reserves	Profit and loss account	Total
	£	£
At 1 January 2010	11,617,208	11,617,208
Profit for the year	<u>1,945,011</u>	<u>1,945,011</u>
At 31 December 2010	<u>13,562,219</u>	<u>13,562,219</u>
20. Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Profit for the year	1,945,011	1,454,484
Opening shareholders' funds	<u>12,617,208</u>	<u>11,162,724</u>
Closing shareholders' funds	<u>14,562,219</u>	<u>12,617,208</u>
21. Related party transactions		

The company sold goods at arms length amounting to £2,176,432 to Connect Global Limited, a party related to the company by virtue of certain common shareholders. The balance payable at the year end was £27,853.

Elite Mobile Limited

**Notes to the financial statements
for the year ended 31 December 2010**

continued

22. Gross cash flows

	2010	2009
	£	£
Returns on investments and servicing of finance		
Interest received	75,348	18,388
Interest paid	(21,113)	(7,607)
	<u>54,235</u>	<u>10,781</u>
Taxation		
Corporation tax paid	<u>-</u>	<u>(644,132)</u>
Capital expenditure		
Payments to acquire tangible assets	(123,303)	(150,649)
Receipts from sales of tangible assets	<u>19,500</u>	<u>4,000</u>
	<u>(103,803)</u>	<u>(146,649)</u>

23. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,272,420	4,712,200	5,984,620
Net funds	<u>1,272,420</u>	<u>4,712,200</u>	<u>5,984,620</u>