REGISTERED NUMBER: 3283032 (England and Wales)

Abbreviated Accounts for the Year Ended 31 December 2003

for

Bechtle Direct Limited



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Company Information for the Year Ended 31 December 2003

DIRECTORS:	IM Caston JR Napp
SECRETARY:	IM Caston
REGISTERED OFFICE:	128 High Street Crediton Devon EX17 3LQ
REGISTERED NUMBER:	3283032 (England and Wales)
AUDITORS:	Bedford & Co Registered Auditors & Accountants 128 High Street Crediton Devon EX17 3LQ

Report of the Directors for the Year Ended 31 December 2003

The directors present their report with the accounts of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the distribution of computers and accessories.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

These were considered satisfactory by the directors who expect continued growth in the foreseeable future.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2003.

FUTURE DEVELOPMENTS

The continual training and development of staff in both new product ranges and communications is seen as an important feature of the company's operations.

DIRECTORS

The directors during the year under review were:

G Schick	- resigned 31.3.03
IM Caston	
JR Napp	

The directors holding office at 31 December 2003 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 or 31 December 2003.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

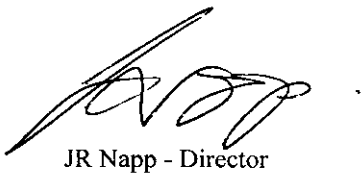
Bechtle Direct Limited

Report of the Directors for the Year Ended 31 December 2003

AUDITORS

The auditors, Bedford & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



JR Napp - Director

29 June 2004

Report of the Independent Auditors to Bechtle Direct Limited Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages five to fifteen, together with the full financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to fifteen are properly prepared in accordance with that provision.

Bedford & Co
Registered Auditors &
Accountants
128 High Street
Crediton
Devon
EX17 3LQ

Date: 30.6.04

Abbreviated Profit and Loss Account for the Year Ended 31 December 2003

	Notes	31.12.03 £	31.12.03 £	31.12.02 £	31.12.02 £
GROSS PROFIT			1,238,444		1,062,446
Administrative expenses			982,617		977,659
OPERATING PROFIT	3		255,827		84,787
Interest receivable and similar income			17,613		11,508
			273,440		96,295
Interest payable and similar charges	4		-		57
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			273,440		96,238
Tax on profit on ordinary activities	5		49,148		14,723
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			224,292		81,515
Deficit brought forward:					
As previously reported		(271,472)		(412,807)	
Prior year adjustments		-		59,820	
As restated			(271,472)		(352,987)
DEFICIT CARRIED FORWARD			£(47,180)		£(271,472)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

The notes form part of these abbreviated accounts

Statement of Total Recognised Gains and Losses for the Year Ended 31 December 2003

	31.12.03	31.12.02
	£	£
PROFIT FOR THE FINANCIAL YEAR	224,292	81,515
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	£224,292	81,515
Prior year adjustment		59,820
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		£141,335

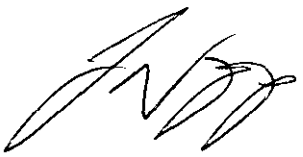
The notes form part of these abbreviated accounts

Abbreviated Balance Sheet
31 December 2003

	Notes	31.12.03 £	31.12.03 £	31.12.02 £	31.12.02 £
FIXED ASSETS:					
Tangible assets	6		31,161		30,321
CURRENT ASSETS:					
Debtors	7	1,670,531		1,436,216	
Cash at bank and in hand		147,563		393,008	
		1,818,094		1,829,224	
CREDITORS: Amounts falling due within one year	8	896,435		1,131,017	
NET CURRENT ASSETS:			921,659		698,207
TOTAL ASSETS LESS CURRENT LIABILITIES:			£952,820		£728,528
CAPITAL AND RESERVES:					
Called up share capital	10		1,000,000		1,000,000
Profit and loss account			(47,180)		(271,472)
SHAREHOLDERS' FUNDS:	12		£952,820		£728,528

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 *relating to medium-sized companies.*

ON BEHALF OF THE BOARD:



JR Napp - Director

Approved by the Board on 29 June 2004

The notes form part of these abbreviated accounts

Cash Flow Statement
for the Year Ended 31 December 2003

	Notes	31.12.03	31.12.02
		£	£
Net cash (outflow)/inflow from operating activities	1	(250,509)	402,506
Returns on investments and servicing of finance	2	17,613	11,451
Capital expenditure	2	(12,549)	(5,222)
(Decrease)/Increase in cash in the period		**£(245,445)**	**£408,735**

Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		**(245,445)**	**408,735**
Change in net funds resulting from cash flows		(245,445)	408,735
Movement in net funds in the period		**(245,445)**	**408,735**
Net funds/(debt) at 1 January		**393,008**	**(15,727)**
Net funds at 31 December		**£147,563**	**£393,008**

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement for the Year Ended 31 December 2003

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	31.12.03 £	31.12.02 £
Operating profit	255,827	84,787
Depreciation charges	11,709	12,995
Increase in debtors	(279,412)	(91,074)
(Decrease)/Increase in creditors	(238,633)	395,798
Net cash (outflow)/inflow from operating activities	(250,509)	402,506

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.03 £	31.12.02 £
Returns on investments and servicing of finance		
Interest received	17,613	11,508
Interest paid	-	(57)
Net cash inflow for returns on investments and servicing of finance	17,613	11,451
Capital expenditure		
Purchase of tangible fixed assets	(12,549)	(5,222)
Net cash outflow for capital expenditure and financial investment	(12,549)	(5,222)

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement for the Year Ended 31 December 2003

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.03 £	Cash flow £	At 31.12.03 £
Net cash:			
Cash at bank and in hand	393,008	(245,445)	147,563
	393,008	(245,445)	147,563
Total	393,008	(245,445)	147,563
Analysed in Balance Sheet			
Cash at bank and in hand	393,008		147,563
	393,008		147,563

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings & equipment	- 30% on reducing balance
Computer equipment	- 30% on reducing balance

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. STAFF COSTS

	31.12.03	31.12.02
	£	£
Wages and salaries	434,060	443,567
Social security costs	40,380	37,411
	474,440	480,978

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

	31.12.03	31.12.02
Management and administration	4	4
Sales	14	16
	18	20

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.03	31.12.02
	£	£
Depreciation - owned assets	11,709	12,995
Auditors' remuneration	4,950	5,100
Operating lease payments - other	43,000	43,000
Foreign currency translation	4,498	593
Directors' emoluments	56,710	111,603

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.03	31.12.02
	£	£
Bank interest	-	57

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.03	31.12.02
	£	£
Current tax:		
UK corporation tax	4,051	-
Deferred taxation	45,097	14,723
Tax on profit on ordinary activities	49,148	14,723

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

5. **TAXATION - continued**

Factors affecting the tax charge
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.03	31.12.02
	£	£
Profit on ordinary activities before tax	273,440	96,238
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2002 - 19%)	51,954	18,285
Effects of:		
Losses brought forward	(45,097)	(14,723)
Expenditure not deductible for tax purposes	368	372
Capital allowances for year in excess of depreciation	(3,174)	(3,934)
Current tax charge	4,051	-

6. **TANGIBLE FIXED ASSETS**

	Fixtures, fittings & equipment	Computer equipment	Totals
	£	£	£
COST:			
At 1 January 2003	34,729	91,775	126,504
Additions	5,949	6,600	12,549
At 31 December 2003	40,678	98,375	139,053
DEPRECIATION:			
At 1 January 2003	15,566	80,617	96,183
Charge for year	6,806	4,903	11,709
At 31 December 2003	22,372	85,520	107,892
NET BOOK VALUE:			
At 31 December 2003	18,306	12,855	31,161
At 31 December 2002	19,163	11,158	30,321

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.03 £	31.12.02 £
Trade debtors	1,611,456	1,344,192
Prepayments	58,112	27,611
Amounts owing from group undertakings	963	19,316
Deferred tax asset	-	45,097
	1,670,531	1,436,216

Deferred tax asset

	31.12.03 £	31.12.02 £
Unrelieved trading losses	45,097	45,097
To profit and loss account	(45,097)	-
	-	45,097

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.03 £	31.12.02 £
Trade creditors	764,488	777,135
Amounts owed to group undertakings	20,280	243,021
Social security & other taxes	44,791	57,845
Taxation	4,051	-
Accruals	62,825	53,016
	896,435	1,131,017

9. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	Land and buildings operating leases	
	31.12.03 £	31.12.02 £
Expiring:		
In more than five years	43,000	43,000

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.03 £	31.12.02 £
1,000,000	Ordinary	£1	1,000,000	1,000,000

11. ULTIMATE PARENT COMPANY

The ultimate holding company is Bechtle Ag of Kanzleistrasse 17, D-74405, Gaildorf, which is registered in Germany. The group company accounts can be obtained from this address.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.03 £	31.12.02 £
Profit for the financial year	224,292	81,515
Issue of ordinary shares		
Net addition to shareholders' funds	224,292	81,515
Opening shareholders' funds	728,528	647,013
Closing shareholders' funds	952,820	728,528
Equity interests	952,820	728,528