

Registered Number 4134744

Damovo Corporate Services Limited  
Annual report  
for the year ended 31 January 2004



# **Damovo Corporate Services Limited**

## **Annual report for the year ended 31 January 2004**

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# **Damovo Corporate Services Limited**

## **Directors and advisers for the year ended 31 January 2004**

### **Directors**

Graeme Bissett (resigned 31/03/03)  
Sarah Booth (resigned 19/08/03)  
Pearse Flynn (appointed 31/03/03, resigned 06/08/03)  
David Fitzgerald (appointed 29/04/03, resigned 21/10/03)  
John Samuel (appointed 19/08/03, resigned 12/12/03)  
Robert Contreras (appointed 29/09/03)  
Michael Collins (appointed 06/01/04)

### **Secretary**

Masons Secretarial Services Limited  
30 Aylesbury Street  
London  
EC1R 0ER

### **Registered Office**

10 Upper Bank Street  
London  
E14 5JJ

### **Independent auditors**

PricewaterhouseCoopers LLP  
Kintyre House  
209 West George Street  
Glasgow  
G2 2LW

### **Solicitors**

Clifford Chance  
10 Upper Bank Street  
London  
E14 5JJ

### **Bankers**

Royal Bank of Scotland  
22 – 25 St. Andrew Square  
Edinburgh  
EH2 1AF

# **Damovo Corporate Services Limited**

## **Directors' report for the year ended 31 January 2004**

The directors present their report and the audited financial statements of the company for the year ended 31 January 2004.

### **Principal activities**

The company's principal activity during the year was the provision of central support functions to Damovo Group SA and its subsidiary undertakings.

### **Review of business and future developments**

The company provides central support functions to the Damovo Group and generates turnover by charging other group companies for the provision of these services.

The directors have prepared the financial statements on a going concern basis, taking into account the current activities and prospects of the company, and an undertaking from the company's ultimate parent undertaking, Damovo Group SA, to continue to provide working capital support to the company.

### **Results and dividends**

The company's loss for the year is £32,758,459 (2003 - £31,785,846). The directors do not recommend payment of a dividend.

### **Directors and their interests**

The directors who held office during the year are set out on page 1. No director had any beneficial interest in the shares of the Company or any other group company during the year.

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

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 January 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

### **Going concern**

The financial statements have been prepared on the going concern basis, which represent the directors' view that the company will continue in operational existence for the foreseeable future. The validity of this assumption is based upon the continuing support of the ultimate holding company, Damovo Group SA.

The company had net liabilities of £78,788,229 at 31 January 2004 (2003 - £46,029,770). At the same date, Damovo Corporate Services Limited had amounts owing to other Damovo group companies of £77,493,862 (2003 - £50,474,989) and amounts due from Damovo group companies of £36,356,370 (2003 - £35,965,088).

## **Damovo Corporate Services Limited**

The Company also had senior debt facilities and a shareholder term loan totaling £46,890,724 (2003 - £39,003,155). These debt facilities were renegotiated in May 2004. Under the revised repayment terms, £7,361,592 of this debt is repayable within one year of the balance sheet date with the remaining debt falling due between February 2005 and October 2007.

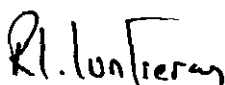
Following the completion of a strategic review by Damovo Group SA and the finalisation of a new Business Plan, Damovo Group SA entered into a 'refinancing and restructuring' agreement with its principal shareholders and banking syndicate members on 14 May 2004, the impact of which on Damovo Corporate Services Limited is described above. Completion of this agreement has allowed Damovo Group SA to provide a letter of support to the directors of Damovo Corporate Services Limited confirming that they will not demand repayment of the inter-company loans if it would jeopardise the solvency or going concern position of Damovo Corporate Services Limited and undertaking not to demand repayment for the foreseeable future.

On this basis, the directors of Damovo Corporate Services Limited consider it appropriate to prepare the accounts on a going concern basis.

### **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

**By order of the Board**



**Robert Contreras**

Director

1 September 2004

# **Damovo Corporate Services Limited**

## **Independent Auditors' report to the members of Damovo Corporate Services Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 January 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Glasgow

1 September 2004

# Damovo Corporate Services Limited

## Profit and loss account for the year ended 31 January 2004

	Note	2004 £	2003 £
Turnover		13,253,497	11,628,850
Administrative expenses		(26,849,345)	(25,595,382)
Exceptional administrative expenses	2	(10,913,002)	(9,891,695)
Total administrative expenses		(37,762,347)	(35,487,077)
<b>Operating loss</b>	1	(24,508,850)	(23,858,227)
Net interest payable and similar charges	6	(8,268,242)	(7,908,986)
<b>Loss on ordinary activities before taxation</b>		(32,777,092)	(31,767,213)
Tax on loss on ordinary activities	7	18,633	(18,633)
<b>Loss for the financial year</b>	16	(32,758,459)	(31,785,846)

All items dealt with in arriving at operating loss above relate to continuing operations.

The company has no recognised gains and losses other than the loss reported above and therefore no separate statement of total recognised gains and losses has been presented.

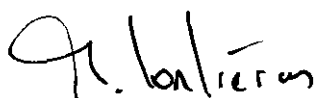
There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

# Damovo Corporate Services Limited

## Balance sheet as at 31 January 2004

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Intangible assets	8	1,211,319	1,817,463
Tangible assets	9	9,760,226	13,073,511
Investments	10	1	1
		<b>10,971,546</b>	<b>14,890,975</b>
<b>Current assets</b>			
Debtors	11	38,748,737	40,253,979
Cash at bank and in hand		5,669,301	5,254,986
		<b>44,418,038</b>	<b>45,508,965</b>
Creditors - amounts falling due within one year	12	(92,388,970)	(65,522,125)
<b>Net current liabilities</b>		<b>(47,970,932)</b>	<b>(20,013,160)</b>
<b>Total assets less current liabilities</b>		<b>(36,999,386)</b>	<b>(5,122,185)</b>
Creditors - amounts falling due after more than one year	13	(38,152,329)	(40,184,086)
Provisions for liabilities and charges	14	(3,636,514)	(723,499)
<b>Net liabilities</b>		<b>(78,788,229)</b>	<b>(46,029,770)</b>
<b>Capital and reserves</b>			
Called up share capital	15	1	1
Profit and loss account	16	(78,788,230)	(46,029,771)
<b>Deficit on shareholder's funds</b>	17	<b>(78,788,229)</b>	<b>(46,029,770)</b>

The financial statements on pages 5 to 18 were approved by the board of directors on 1 September 2004 and were signed on its behalf by:



**Robert Contreras**  
Director



# Damovo Corporate Services Limited

## Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

### Basis of accounting and going concern

The financial statements are prepared under the historical cost convention.

The company has made a loss on ordinary activities before taxation of £32,777,092 for the year ended 31 January 2004 (2003 - £31,767,213) and at that date its liabilities exceeded its assets by £78,788,229 (2003 - £46,029,770). As described in the Directors Report on pages 2 and 3 of the financial statements, the directors have prepared the financial statements on a going concern basis, taking into account an undertaking from the company's parent undertaking, Damovo Group SA, to continue to provide working capital support to the company and not to demand repayment of inter-company loans for the foreseeable future.

### Basis of preparation

The financial statements contain information about Damovo Corporate Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings qualify as a medium size group.

### Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Damovo Group SA, its ultimate parent, and is included in the consolidated financial statements of Damovo Group SA, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Damovo Group SA group, or investors in the group qualifying as related parties.

### Turnover

Turnover is the recharging of central support function costs to Damovo Group companies. These recharges include a profit element.

### Intangible assets

Intangible assets comprise software licences and trademarks and are stated at cost less amortisation. Amortisation is calculated on a straight-line basis over the shorter of the estimated useful life of the assets or the length of the licence, not exceeding 20 years. The estimated economic lives are as follows:

Software licenses	3 years
Trademarks	20 years

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

### Tangible assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, on a straight line basis over their estimated economic lives. The estimated economic lives are as follows:

Fixtures and fittings	5 years
IT infrastructure and equipment	3 - 5 years

# **Damovo Corporate Services Limited**

## **Investments in subsidiary undertakings**

Investments in subsidiary undertakings are recorded at cost.

## **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## **Government Grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and attaching conditions have been met and it is expected that they will continue to be complied with.

## **Foreign currencies**

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currency are translated at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

## **Leases**

Leasing agreements and hire purchase contracts which transfer to the company substantially all the benefits and risks of ownership of an asset ("finance leases") are treated as if the asset had been purchased outright. Assets held under such agreements are included in fixed assets and the capital element of commitments is shown as obligations under finance leases. Payments under such agreements are treated as consisting of capital and interest elements. The interest element is charged to the profit and loss account over the primary lease period in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

All other leases are treated as operating leases, the costs of which are charged on a straight line basis over the lease term.

## **Tax**

The charge for taxation is based on the results for the year and takes into account full provision for deferred tax, using the approach set out in FRS 19 "Deferred Tax" in respect of timing differences on a non-discounted basis

## **Pensions**

The company operates a defined contribution pension scheme for the benefit of all employees. The costs relating to this scheme are charged to the profit and loss account as they fall due.

# Damovo Corporate Services Limited

## Notes to the financial statements for the year ended 31 January 2004

### 1 Operating loss

	2004	2003
	£	£
Operating loss is stated after (charging)/crediting:		
Depreciation of tangible assets - owned assets	(2,949,574)	(2,057,625)
Depreciation of tangible assets - leased assets	(593,383)	(626,581)
Amortisation of intangible assets - owned assets	(882,175)	(510,664)
Operating lease charges – other	(351,028)	(389,526)
Auditors remuneration - audit services	(23,000)	(12,000)
Auditors remuneration – non - audit services	(286,000)	(10,000)
Grant income recognised	-	750,000

### 2 Exceptional administrative expenses

Exceptional costs of £10,913,002 (2003 - £9,891,695) comprise costs that are incremental or non-recurring and are associated with the creation of the Damovo Corporate Services as a central support and services business. These costs are not part of the company's normal trading operations and are separately disclosed so that the underlying performance of the business can be seen. These costs are analysed as follows:

#### *Year ended 31 January 2004*

- a. Restructuring costs of £6,246,498 comprise redundancy costs incurred reducing certain headquarter functions and central services, and the professional and other costs incurred during the year in relation to the refinancing and restructuring agreement which was approved post year end.
- b. Further costs of £2,337,270 were incurred during the year in establishing the global information and finance systems in Italy.
- c. During the year the company incurred costs of £2,329,234 in formally ending certain global sponsorship deals. These costs are non-recurring expenses which will provide significant cost savings to the business going forward.

# Damovo Corporate Services Limited

## 2 Exceptional administrative expenses (continued)

*Year ended 31 January 2003*

- a. Restructuring costs of £7,100,905 represent the costs incurred for the organisational change programme and implementing group wide structures, including re-engineering the global sales force and systems and the setting up of global partnerships and support structures.
- b. Infrastructure costs of £9,534,677 being primarily unanticipated costs of establishing the global information systems and shared service processes.
- c. Brand building costs of £4,023,480 comprising charges incurred for the launch of the Damovo brand and the initial advertising and promotional costs that would not form part of the normal ongoing sales and marketing spend.
- d. The costs above were offset by a gain of £10,767,367 on the final settlement agreement with Ericsson, representing compensation for the under-estimation of the costs of transition from Ericsson.

## 3 Directors' emoluments

Aggregate emoluments	2004	2003
	£	£
Aggregate emoluments (including benefits in kind)	485,755	355,875
Company pension contributions to money purchase scheme	41,352	12,625
Compensation for loss of office	623,433	-
	1,150,540	368,500

Highest paid director	2004	2003
	£	£
Aggregate emoluments (including benefits in kind)	182,559	261,537
Company pension contributions to money purchase scheme	22,843	-
Compensation for loss of office	336,300	-
	541,702	261,537

Retirement benefits are accruing to one director (2003 - one) under a money purchase pension scheme.

# Damovo Corporate Services Limited

## 4 Employee costs

	2004	2003
	£	£
Wages and salaries	8,806,056	8,068,090
Social security costs	854,320	808,317
Other pensions costs	450,578	423,913
<b>Staff costs</b>	<b>10,110,954</b>	<b>9,300,320</b>

## 5 Employee information

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

By activity	2004	2003
	Number	Number
Administration	154	153

## 6 Net interest payable and similar charges

	2004	2003
	£	£
Interest payable on senior debt	2,322,860	1,788,855
Inter-company interest payable	4,197,120	3,357,521
Finance lease interest	78,569	33,260
Interest receivable	(95,162)	(156,317)
	6,503,387	5,023,319
Exchange losses and other finance costs	1,764,855	2,885,667
<b>Net interest payable and similar charges</b>	<b>8,268,242</b>	<b>7,908,986</b>

# Damovo Corporate Services Limited

## 7 Tax on loss on ordinary activities

The tax charge for the year is made up as follows:

	2004	2003
	£	£
Loss on ordinary activities before tax	(32,792,730)	(31,767,213)
Corporation tax at 30%	(9,837,819)	(9,530,164)
Group relief surrendered for nil consideration	346,551	-
Expenses not deductible for tax	4,348,015	1,736,658
Tax losses not utilised and other timing differences	5,143,253	7,793,506
Withholding tax (reversed)/suffered	(18,633)	18,633
<b>Current tax (credit)/charge for the year</b>	<b>(18,633)</b>	<b>18,633</b>

The company has an unrecognised deferred tax asset as noted below. This asset has not been recognised as its future recoverability is not certain.

	2004	2003
	£	£
Accelerated capital allowances	(362,846)	(714,179)
Short term timing differences	933,800	1,425,542
Tax losses carried forward	14,280,720	9,970,828
<b>Deferred tax asset not recognised</b>	<b>14,851,674</b>	<b>10,682,191</b>

# Damovo Corporate Services Limited

## 8 Intangible assets

	Software licences	Other intangibles	Total
	£	£	£
<b>Cost</b>			
At 1 February 2003	2,181,772	146,355	2,328,127
Additions	276,031	-	276,031
Transfers	5,270	(5,270)	-
<b>At 31 January 2004</b>	<b>2,463,073</b>	<b>141,085</b>	<b>2,604,158</b>
<b>Accumulated depreciation</b>			
At 1 February 2003	(505,021)	(5,643)	(510,664)
Charge for the year	(875,052)	(7,123)	(882,175)
<b>At 31 January 2004</b>	<b>(1,380,073)</b>	<b>(12,766)</b>	<b>(1,392,839)</b>
<b>Net book amount</b>			
<b>At 31 January 2004</b>	<b>1,083,000</b>	<b>128,319</b>	<b>1,211,319</b>
At 31 January 2003	1,676,751	140,712	1,817,463

## 9 Tangible assets

	IT infrastructure and equipment	Fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
At 1 February 2003	14,930,197	1,110,212	16,040,409
Additions	226,172	3,500	229,672
<b>At 31 January 2004</b>	<b>15,156,369</b>	<b>1,113,712</b>	<b>16,270,081</b>
<b>Accumulated depreciation</b>			
At 1 February 2003	(2,732,368)	(234,530)	(2,966,898)
Charge for the year	(3,320,155)	(222,802)	(3,542,957)
<b>At 31 January 2004</b>	<b>(6,052,523)</b>	<b>(457,332)</b>	<b>(6,509,855)</b>
<b>Net book amount</b>			
<b>At 31 January 2004</b>	<b>9,103,846</b>	<b>656,380</b>	<b>9,760,226</b>
At 31 January 2003	12,197,829	875,682	13,073,511

# Damovo Corporate Services Limited

## 9 Tangible assets (continued)

Assets held under finance leases and capitalised in IT infrastructure and equipment:

	2004	2003
	£	£
Cost	2,134,641	1,959,298
Aggregate depreciation	(1,219,964)	(626,581)
Net book amount	914,677	1,332,717

## 10 Investments

### Shares in another group undertaking

	2004	2003
	£	£
At 31 January 2003 and 31 January 2004	1	1

Subsidiary undertaking	Country of registration and incorporation	Description of holding	Proportion held
Damovo UK Finance II Limited	England	Ordinary £1	100%

## 11 Debtors

	2004	2003
	£	£
Amounts owed by other group undertakings	36,356,370	35,965,088
Other debtors	1,206,000	1,204,240
VAT and other taxes recoverable	343,508	1,302,830
Prepayments	842,859	1,781,821
	38,748,737	40,253,979

Included in other debtors above is an amount of £876,550 (2003 - £876,550) which is due after more than one year. This represents cash held in an escrow bank account required as a deposit for premises rented under a long term operating lease.

Amounts owed by other group undertakings are repayable upon demand.



# Damovo Corporate Services Limited

## 12 Creditors – Amounts falling due within one year

	2004	2003
	£	£
Senior debt (see note 13)	2,648,894	-
Shareholder term loan	6,142,507	-
Trade creditors	1,193,674	6,067,501
Amounts owed to group undertakings	77,493,862	50,474,989
Bank overdraft	1,026,130	-
Finance lease creditor	611,602	728,690
Taxation and social security	248,933	293,406
Other creditors	1,433,700	1,484,610
Accruals	1,589,668	6,472,929
	<b>92,388,970</b>	<b>65,522,125</b>

Amounts owed to group undertakings are repayable upon demand. The ultimate parent company has undertaken not to demand repayment of such funding for the foreseeable future.

Following a restructuring of group debt in May 2004 the shareholder term loan is now repayable in October 2007.

## 13 Creditors – Amounts falling due after more than one year

	2004	2003
	£	£
Senior debt	38,324,358	39,284,448
Debt issuance costs	(225,035)	(281,293)
	<b>38,099,323</b>	<b>39,003,155</b>
Finance lease creditor	53,006	536,408
Other creditors	-	644,523
	<b>38,152,329</b>	<b>40,184,086</b>

Maturity of senior debt	2004	2003
	£	£
Within one year	2,648,894	-
In more than one year, but not more than five years	38,099,323	27,542,436
After five years	-	11,460,719
<b>Senior debt</b>	<b>40,748,217</b>	<b>39,003,155</b>

All other creditors due after more than one year mature within two to five years.

## Damovo Corporate Services Limited

### 13 Creditors – Amounts falling due after more than one year (continued)

The Company is a party to the Damovo Group bank credit facility, and bank borrowings represent term loans which have been advanced under that facility. The senior debt bears interest at floating rates and interest rates incurred during the year ranged from 4.252% to 5.675%. The providers of the bank borrowings above have taken security over certain of the group's assets.

Following a restructuring of debt in May 2004, the senior debt is now repayable in instalments between May 2004 and October 2006, with £7,361,592 falling due within one year.

Future minimum payments under finance leases are as follows:

	2004	2003
	£	£
Within one year	646,335	768,258
In more than one year, but not more than five years	56,017	566,871
	702,352	1,335,129
Less finance charges included above	(37,744)	(70,031)
	664,608	1,265,098

### 14 Provisions

	£
At 1 February 2003	723,499
Utilised during the year	(723,499)
Charged to the profit and loss account	3,636,514
At 31 January 2004	3,636,514

Provision has been made for legal claims, the costs of formally ending certain global sponsorship deals and costs incurred as a result of group restructuring activities including redundancy costs incurred reducing certain headquarter functions and central services. All provisions are expected to be fully utilised within one year.

### 15 Called up share capital

	2004	2003
	£	£
<b>Authorised</b>		
1 ordinary share of £1 each	1	1
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1 each	1	1

# Damovo Corporate Services Limited

## 16 Reserves

	Profit and loss account
	£
At 1 February 2003	(46,029,771)
Loss for the financial year	(32,758,459)
At 31 January 2004	(78,788,230)

## 17 Reconciliation of movements in deficit on shareholder's funds

	2004	2003
	£	£
Loss for the year	(32,758,459)	(31,785,846)
Deficit on shareholder's funds as at 1 February 2003	(46,029,770)	(14,243,924)
Deficit on shareholder's funds as at 31 January 2004	(78,788,229)	(46,029,770)

## 18 Pension obligations

The company operates a defined contribution pension scheme for all employees. Contributions payable by the company amounted to £450,578 (2003 - £715,882). The accrued contribution relating to the scheme at the year end of £39,178 (2003 - £83,649) is included within other creditors in note 12.

## 19 Financial commitments

At 31 January 2004 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings	
	2004	2003
	£	£
After five years	351,028	351,028

# **Damovo Corporate Services Limited**

## **20 Post balance sheet events**

On 14 May 2004, the Company signed an amendment agreement to its financing arrangements which provides committed facilities through to October 2006. In addition, the repayment date of the shareholder term loan facility was fixed at 31 October 2007.

## **21 Ultimate parent undertaking**

The immediate parent undertaking is Damovo II SARL (Luxembourg).

The ultimate parent undertaking and controlling party is Damovo Group SA (Luxembourg), which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Damovo Group SA can be obtained from the Company Secretary at 123 St. Vincent Street, Glasgow, G2 5EA.