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CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT  
HOLDINGS  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004



**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**

**BOARD OF DIRECTORS**

Kevin J. Burrowes

Director

Costas P. Michaelides

Director

Kevin L. Studd

Director

## CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and the financial statements for the year ended 31 December 2004.

### Activities

Credit Suisse First Boston (UK) Investment Holdings (the "Company") is an investment holding company, established primarily to hold the interests of Credit Suisse First Boston (UK) Investments, a UK holding company whose ultimate parent is Credit Suisse Group.

The Company's principal interests include:

- Credit Suisse First Boston (Europe) Limited, an international corporate finance and securities issuing and trading company;
- Credit Suisse First Boston Equities Limited, which trades in the cash equities business;
- Credit Suisse First Boston Canary Wharf Health Club Limited, which carries on the business of a sport, health and fitness club;
- Credit Suisse First Boston Sociedad de Valores SA, a Spanish Equity Brokerage company;
- Credit Suisse First Boston Client Nominees Limited (formerly Credit Suisse First Boston Nominees Limited), a wholly owned subsidiary of Credit Suisse First Boston (Europe) Limited, which redistributes dividends to customers of Credit Suisse First Boston Moscow AO;
- Credit Suisse First Boston Trustees Limited, a wholly owned subsidiary of Credit Suisse First Boston (Europe) Limited, a trust company;
- Credit Suisse First Boston (Equities) Nominees Limited, a wholly owned subsidiary of Credit Suisse First Boston Equities Limited, the principal activity of which is the holding of UK equities for Credit Suisse First Boston Equities Limited and its clients;
- Credit Suisse First Boston Fixed Assets Limited, the principal activity of which is to serve as a holding company;
- Credit Suisse First Boston UK Nominees Limited, which is dormant;
- Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V., a regulated Mexican financial holding company to service the Mexican Bank and Mexican Broker Dealer entities;
- Banco Credit Suisse First Boston (Mexico), S.A., a 99.9% owned subsidiary of Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V. providing banking facilities in Mexico;
- Casa de Bolsa Credit Suisse First Boston (Mexico), S.A. de C.V., a 99.9% owned subsidiary of Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V. providing broker dealer facilities in Mexico;
- Credit Suisse First Boston Servicios S.A. de C.V., a 99.9% owned subsidiary of Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V., providing service facilities to the Mexican Bank and Broker Dealer companies in Mexico;
- Credit Suisse First Boston InvestCo UK Limited, an 89% unregulated subsidiary incorporated in Cayman for investment purposes. The Company has entered a securities lending agreement in respect of the remaining 11% of ordinary shares;
- Credit Suisse First Boston InvestCo UK No1 Limited, a 75% unregulated subsidiary incorporated in Cayman for investment purposes. The Company has entered a securities lending agreement in respect of the remaining 25% of ordinary shares;

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS  
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004****Activities (continued)**

- Credit Suisse First Boston InvestCo UK No2 Limited, which is dormant;
- DLJ UK Properties Limited, a 99% owned subsidiary of Credit Suisse First Boston Fixed Assets Limited, a property investment company, which purchases fixed assets and rents them to other group companies; and
- Credit Suisse First Boston Gilts, formerly a UK Government Bond Primary Dealer which is expected to be liquidated in 2005.

**Directors**

The names of the directors as at the date of this report are set out on page 2.

Changes in the directorate since 31 December 2003, and up to the date of this report are as follows:

Appointments	- Kevin J. Burrowes	11 March 2005
Resignations	- Nigel P. Bretton	11 March 2005

None of the directors was beneficially interested, at any time during the year, in the shares of the Company. A number of directors received entitlements to Credit Suisse Group shares under long-term incentive schemes in their capacity as officers of Credit Suisse Group companies.

**Results**

The loss for the year was US\$297,565,000 (2003: US\$66,511,000). No dividends were paid or are proposed for 2004 (2003: US\$Nil).

**Auditors**

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

**Share Capital**

During the year the Company issued US\$125,000,000 of additional preference shares (2003: US\$Nil).

**Capital Contribution**

During the year the Company did not receive any capital contributions (2003: US\$Nil).

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS  
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004****Subsequent Events**

On 25 February 2005 the Company ceased its securities lending agreements in respect of the remaining 11% of ordinary shares in Credit Suisse First Boston InvestCo UK Limited and 25% of ordinary shares in Credit Suisse First Boston InvestCo UK No1 Limited. Under the securities lending agreements the ordinary shares were returned to the Company on this date, resulting in 100% ownership of Credit Suisse First Boston InvestCo UK Limited and Credit Suisse First Boston InvestCo UK No1 Limited.

On 25 February 2005 preference shares lent to Credit Suisse First Boston International under stock loan agreements in return for cash collateral to the same value, (included as deposits received and amounts due in respect of securities loaned) were returned to the Company and the cash collateral was repaid to Credit Suisse First Boston International.

On 29 April 2005 Credit Suisse First Boston (Europe) Limited, a subsidiary acquired 100% of Credit Suisse First Boston PF (Europe) Limited, which acts as limited partner in a fund to receive and distribute fees.

On 10 May 2005 the Company contributed US\$150,000,000 by way of capital contributions to Credit Suisse First Boston (Europe) Limited.

On 18 July 2005 Credit Suisse First Boston Equities Limited paid to the company an interim dividend of £40,000,000. This was £12,250,000 from the capital contribution reserve and £27,750,000 from retained earnings. A corresponding write down of the investment in Credit Suisse First Boston Equities Limited of US\$20,212,050 was made.

**Donations**

No charitable or political donations were made during the year (2003: US\$Nil).

**Prompt Payment Code**

It is the policy of the Company to pay all invoices in accordance with contract and payment terms.

By Order of the Board

PAH



Paul E. Hare  
Secretary

One Cabot Square  
London E14 4QJ  
11 August 2005

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS  
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;
- state whether applicable 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREDIT SUISSE FIRST  
BOSTON (UK) INVESTMENT HOLDINGS**

We have audited the financial statements on pages 8 to 21.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 6, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 with the Company is not disclosed.

**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 as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc.*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

London  
11 August 2005

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 US\$000	2003 US\$000
Operating loss	2	(390,009)	(124,433)
Administrative expenses		<u>(85)</u>	<u>(587)</u>
<b>Loss on ordinary activities before taxation</b>	3	(390,094)	(125,020)
Tax credit on loss on ordinary activities	4	<u>92,529</u>	<u>58,509</u>
<b>Loss retained for the year</b>		<u>(297,565)</u>	<u>(66,511)</u>

A statement of movements in reserves is given in Note 10.

The Profit and Loss Account has been prepared in accordance with the Accounting Policies in Note 1 to the financial statements.

All recognised gains or losses are in respect of the loss attributable to the Shareholders of the Company of US\$297,565,000 in the year ended 31 December 2004, and the loss of US\$66,511,000 in the year ended 31 December 2003.

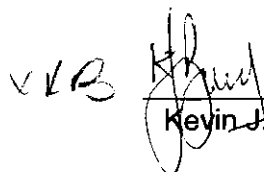
Results in both the financial years arise from continuing operations.



**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**BALANCE SHEET AS AT 31 DECEMBER 2004**

	Note	2004 US\$000	2003 US\$000
<b>Fixed assets</b>			
Shares in subsidiary undertakings	5	1,693,520	1,628,344
Financial investments	6	198	1,292
		<u>1,693,718</u>	<u>1,629,636</u>
<b>Current assets</b>			
Debtors	7	370,979	66,488
Cash at bank		1,504	1,782
		<u>372,483</u>	<u>68,270</u>
<b>Creditors: Amounts falling due within one year</b>			
Other creditors	8	(1,717,183)	(1,176,323)
<b>Net current liabilities</b>		<u>(1,344,700)</u>	<u>(1,108,053)</u>
<b>Total assets less current liabilities</b>		<u>349,018</u>	<u>521,583</u>
<b>Net assets</b>		<u>349,018</u>	<u>521,583</u>
<b>Capital and reserves</b>			
Called up share capital	9	991,372	866,372
Share premium	10	362,600	362,600
Capital Reserve	10	1,210,757	1,210,757
Profit and loss account	10	(2,215,711)	(1,918,146)
<b>Total shareholders' funds</b>	11	349,018	521,583
Equity		(568,965)	(271,420)
Non equity		918,003	793,003
		<u>349,018</u>	<u>521,583</u>

Approved by the Board of Directors on 11 August 2005 and signed on its behalf by

  
 Kevin J. Burrowes  
 Director

The notes on pages 10 to 21 form part of these financial statements.

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2004**

**1. Accounting Policies**

The financial statements have been prepared in accordance with the Companies Act 1985, applicable accounting standards and under the historical cost accounting rules.

The financial statements have been prepared on a going concern basis.

The following accounting policies have been consistently applied:

- (a) The Company has elected not to prepare a Cash Flow Statement in accordance with the exemption granted under FRS 1 (revised 1996) to wholly owned subsidiaries whose financial statements are included in consolidated financial statements which are publicly available.
- (b) The directors are of the opinion that turnover and cost of sales do not have meaningful equivalents for the business of the Company and therefore these classifications have not been used in the profit and loss account.
- (c) The Company has not disclosed segmental information because in the opinion of the directors the Company operates in one business sector and as a single global business unit.
- (d) Assets and liabilities in foreign currencies are translated into United States Dollars at the rates of exchange ruling at the balance sheet date. Transactions during the year were translated at month end rates. Differences in exchange are included in the profit and loss account within operating income as this arises in the ordinary course of business.
- (e) Investments in subsidiary undertakings are carried at cost except where they are subject to a permanent diminution in value.
- (f) Financial investments are carried at cost except where they are subject to a permanent diminution in value.
- (g) Provisions are made as considered necessary having regard to specific obligations. Debtors are written down to their estimated realisable value when there is no realistic prospect of full recovery. Where the collection of interest is in significant doubt it is not recognised through the profit and loss account.
- (h) Capital contributions are appropriations to reserves and are received from the parent undertaking. Accordingly, such contributions are not taken to the profit and loss account.

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2004**

**1. Accounting Policies (continued)**

- (i) The charge/(credit) for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date. 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 difference can be deducted.

Deferred tax is measured on a non-discounted 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.

- (j) As 100% of the Company's voting rights are controlled within the group headed by Credit Suisse Group, the Company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" and has therefore not disclosed transactions or balances with entities which form part of the Group (or investors in the Group which qualify as related parties). The consolidated financial statements of Credit Suisse Group, within which this Company is included, can be obtained from the address given in note 5.
- (k) Interest income and expense are accounted for on an accruals basis.
- (l) Dividend expense is accounted for on an accruals basis.
- (m) Stock borrowing and lending agreements which are treated as financing transactions are carried in the balance sheet at the amounts at which the securities were initially acquired or sold as specified by the respective agreements, plus fees accrued to the balance sheet date.
- (n) Cash at bank includes funds repayable on demand.

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2004**

**2. Operating Loss**

Operating loss is stated after (charging)/crediting the following:

	2004 US\$000	2003 US\$000
a. Interest paid		
On loans, bonds and overdrafts wholly repayable within 5 years	(65,656)	(42,577)
On amounts owed to parent and fellow subsidiary undertakings	<u>(73,783)</u>	<u>(25,935)</u>
	<u>(139,439)</u>	<u>(68,512)</u>
b. Interest received		
On loans, bonds and overdrafts wholly repayable within 5 years	265	143
On amounts owed from parent and fellow subsidiary undertakings	<u>928</u>	<u>2</u>
	<u>1,193</u>	<u>145</u>
c. Dividends received and receivable	<u>349,081</u>	<u>68,142</u>
d. Adjustment to carrying value of shares in subsidiary undertakings and financial investments	<u>(421,602)</u>	<u>(12,104)</u>
e. Profit on return of capital	<u>-</u>	<u>876</u>
f. Foreign exchange loss	<u>(179,242)</u>	<u>(112,980)</u>

**3. Loss on ordinary activities before taxation**

The loss before taxation is stated after charging the following:

	2004 US\$000	2003 US\$000
Auditors' remuneration for audit services	15	-

Auditors' remuneration has not been charged in the financial statements but has been borne by another group company for 2003.

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2004**

**4. Tax Credit on Loss on Ordinary Activities**

	2004 US\$000	2003 US\$000
a. Analysis of credit for the period		
UK corporation tax credit on results for the period	(94,204)	(53,580)
Adjustments in respect of previous years	<u>1,675</u>	<u>(4,929)</u>
Total current tax	<u>(92,529)</u>	<u>(58,509)</u>
b. Factors affecting the tax for the period		

The tax for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 US\$	2003 US\$
Loss on ordinary activities before tax	<u>(390,094)</u>	<u>(125,020)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30%	(117,028)	(37,506)
Effects of:		
Non-deductible writedown of investment in subsidiary	126,481	3,631
Other permanent differences	(103,657)	(19,705)
Adjustment to tax charge in respect of previous years	<u>1,675</u>	<u>(4,929)</u>
Current tax for the period (Note 4(a))	<u>(92,529)</u>	<u>(58,509)</u>

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2004**

**4. Tax Credit on Loss on Ordinary Activities (continued)**

c. Factors that may affect future tax charges

The Company's future effective tax rate is expected to approximate the statutory rate of corporation tax in the UK. However, the future effective tax rate may differ from the statutory rate if the Company surrenders group relief and if it is not fully compensated by the claimant company for the value of the tax losses surrendered by the Company.

d. Provision for deferred tax

There was no provided or potential deferred tax at 31 December 2004 (2003: US\$Nil).

**5. Subsidiaries, Parent and Ultimate Holding Company**

The Company had the following subsidiaries at 31 December 2004, all of which were registered in England and Wales except for Credit Suisse First Boston Sociedad de Valores SA, which is registered in Spain, Credit Suisse First Boston InvestCo UK Limited, Credit Suisse First Boston InvestCo UK No1 Limited and Credit Suisse First Boston InvestCo UK No2 Limited which are registered in Cayman and Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V., Banco Credit Suisse First Boston (Mexico), S.A., Casa de Bolsa Credit Suisse First Boston (Mexico), S.A. de C.V., and Credit Suisse First Boston Servicios S.A. de C.V which are registered in Mexico:

- Credit Suisse First Boston (Europe) Limited, an international corporate finance and securities issuing and trading company;
- Credit Suisse First Boston Equities Limited, which trades in the cash equities business;
- Credit Suisse First Boston Canary Wharf Health Club Limited, which carries on the business of a sport, health and fitness club;
- Credit Suisse First Boston Sociedad de Valores SA, a Spanish Equity Brokerage company;
- Credit Suisse First Boston Client Nominees Limited (formerly Credit Suisse First Boston Nominees Limited), a wholly owned subsidiary of Credit Suisse First Boston (Europe) Limited, which redistributes dividends to customers of Credit Suisse First Boston Moscow AO;
- Credit Suisse First Boston Trustees Limited, a wholly owned subsidiary of Credit Suisse First Boston (Europe) Limited, a trust company;
- Credit Suisse First Boston (Equities) Nominees Limited, a wholly owned subsidiary of Credit Suisse First Boston Equities Limited, the principal activity of which is the holding of UK equities for Credit Suisse First Boston Equities Limited and its clients;
- Credit Suisse First Boston Fixed Assets Limited, the principal activity of which is to serve as a holding company;
- Credit Suisse First Boston UK Nominees Limited, which is dormant;

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2004**

**5. Subsidiaries, Parent and Ultimate Holding Company (continued)**

- Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V., a regulated Mexican financial holding company to service the Mexican Bank and Mexican Broker Dealer entities;
- Banco Credit Suisse First Boston (Mexico), S.A., a 99.9% owned subsidiary of Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V. providing banking facilities in Mexico;
- Casa de Bolsa Credit Suisse First Boston (Mexico), S.A. de C.V., a 99.9% owned subsidiary of Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V. providing broker dealer facilities in Mexico;
- Credit Suisse First Boston Servicios S.A. de C.V., a 99.9% owned subsidiary of Grupo Financiero Credit Suisse First Boston (Mexico), S.A. de C.V., providing service facilities to the Mexican Bank and Broker Dealer companies in Mexico;
- Credit Suisse First Boston InvestCo UK Limited, an 89% unregulated subsidiary incorporated in Cayman for investment purposes. The Company has entered a securities lending agreement in respect of the remaining 11% of ordinary shares;
- Credit Suisse First Boston InvestCo UK No1 Limited, a 75% unregulated subsidiary incorporated in Cayman for investment purposes. The Company has entered a securities lending agreement in respect of the remaining 25% of ordinary shares;
- Credit Suisse First Boston InvestCo UK No2 Limited, which is dormant;
- DLJ UK Properties Limited, a 99% owned subsidiary of Credit Suisse First Boston Fixed Assets Limited, a property investment company, which purchases fixed assets and rents them to other group companies; and
- Credit Suisse First Boston Gilts, formerly a UK Government Bond Primary Dealer which is expected to be liquidated in 2005.

Movement in shares in subsidiary undertakings for the year were as follows:

	US\$000
As at 1 January 2004	1,628,344
Acquisitions and subscription of capital	185,579
Capital contribution	300,000
Investments written off	<u>(420,403)</u>
As at 31 December 2004	<u>1,693,520</u>

Capital contributions represent contributions made to Credit Suisse First Boston (Europe) Limited of US\$150,000,000 on each of 26 November 2004 and 9 December 2004. During the year the Company's investment in Credit Suisse First Boston (Europe) Limited was written down by US\$255,000,000.

During the year the Company's investment in Credit Suisse First Boston Equities Limited was written down by US\$165,400,421, as a result of Credit Suisse First Boston Equities Limited paying a dividend to the Company from its capital contributions reserve.

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2004**

**5. Subsidiaries, Parent and Ultimate Holding Company (continued)**

During the year the Company subscribed for additional preference shares in Credit Suisse First Boston Investco UK No1 Limited (\$185,579,082). A number of these shares were lent to Credit Suisse First Boston International under a stock loan agreement in return for cash collateral to the same value (\$85,651,884) and is included in deposits received and amounts due in respect of securities loaned (refer note 8). Under the terms of the stock loan agreement, the amount of collateral to be repaid to Credit Suisse First Boston International will be reduced to the extent of any reduction in the value of the investments held by Credit Suisse First Boston Investco UK No1 Limited and Credit Suisse First Boston Investco UK Limited.

In accordance with section 228 of the Companies Act 1985, consolidated financial statements have not been prepared as the Company is 98.07% owned by Credit Suisse First Boston (UK) Investments. The ultimate holding company is Credit Suisse Group which is incorporated in Switzerland.

Copies of group financial statements of the parent undertaking and of the ultimate holding company, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff and Credit Suisse Group, Paradeplatz, P.O. Box 1, 8070 Zurich, respectively.

**6. Financial Investments**

	US\$000
As at 1 January 2004	1,292
Additions	105
Investments written off	<u>(1,199)</u>
As at 31 December 2004	<u>198</u>

On 8 March 2004 the Company acquired a 15.84% interest in Portucale – Sociedade Gestora de Fundos de Titularizacao de Creditos S.A., a Portuguese securitization fund management company. During the year the Company's investment in First South Securities (Proprietary) Limited was written down by US\$1,199,000.

**7. Debtors**

	2004 US\$000	2003 US\$000
Amounts owed by group undertakings	210,585	8
Dividends receivable	9,363	7,979
Group relief receivable	<u>151,031</u>	<u>58,501</u>
	<u>370,979</u>	<u>66,488</u>



**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2004**
**8. Other Creditors**

	2004 US\$000	2003 US\$000
Amounts owed to group undertakings	1,267,338	818,884
Deposits received and amounts due in respect of securities loaned	<u>449,845</u>	<u>357,439</u>
	<u>1,717,183</u>	<u>1,176,323</u>

Interest on amounts owed to other group undertakings will be settled in either of the following ways:

- Capitalised six monthly, at which time the principal along with the capitalised interest forms the new principal amount, to be settled from future dividends.
- Settled quarterly from the receipt of dividends on preference shares held.
- From cash at bank.

Interest on deposits received and amounts due in respect of securities loaned is paid quarterly from the receipt of dividends on preference shares held.

**9. Called Up Share Capital**

	2004 US\$000	2003 US\$000
Authorised: Equity		
100,000,000 ordinary shares of US\$1 each	<u>100,000</u>	<u>100,000</u>
Authorised: Non-equity		
1,000,000,000 preference shares of US\$1 each	<u>1,000,000</u>	<u>1,000,000</u>
	2004 £000	2003 £000
Authorised: Non-equity		
60,000,000 preference shares of £1 each	<u>60,000</u>	<u>60,000</u>

**CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2004**

**9. Called Up Share Capital (continued)**

	2004 US\$000	2003 US\$000
Allotted, called up and fully paid Equity		
73,369,578 ordinary shares of US\$1 each	<u>73,369</u>	<u>73,369</u>
Non-equity		
860,000,000 preference shares of US\$1 each (2003: 735,000,000 preference shares of US\$1 each)	860,000	735,000
35,000,000 preference shares of £1 each	<u>58,003</u>	<u>58,003</u>
	<u>918,003</u>	<u>793,003</u>
	<u>991,372</u>	<u>866,372</u>

During the year the Company issued US\$125,000,000 of additional preference shares (2003: US\$Nil).

**Rights of Non-equity shareholders**

All preference shares are non-cumulative perpetual shares and are only entitled to dividends as and when declared by the board of directors in any given dividend period.

Should the Company be wound up the Preference Shares shall carry the right to a return of capital (including premium) paid up thereon in priority to all payments made to holders of Ordinary Shares.

The Preference Shares do not carry any voting rights.

**10. Reserves**

	Share Premium US\$000	Capital Contribution Reserve US\$000	Profit And Loss Account US\$000
1 January 2004	362,600	1,210,757	(1,918,146)
Loss for the year	<u>-</u>	<u>-</u>	<u>(297,565)</u>
31 December 2004	<u>362,600</u>	<u>1,210,757</u>	<u>2,215,711</u>

During the year the Company did not receive any capital contributions (2003: US\$Nil).

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**11. Reconciliation of Movement in Shareholders' Funds**

	2004 US\$000	2003 US\$000
Equity:		
Loss for the financial year	<u>(297,565)</u>	<u>(66,511)</u>
Net movement in shareholders' funds	(297,565)	(66,511)
Opening shareholders' funds	<u>(271,420)</u>	<u>(204,909)</u>
Closing shareholders' funds	<u>(568,985)</u>	<u>(271,420)</u>
Non-equity:		
Shares issued during year	<u>125,000</u>	<u>-</u>
Net movement in shareholders' funds	125,000	-
Opening shareholders' funds	<u>793,003</u>	<u>793,003</u>
Closing shareholders' funds	<u>918,003</u>	<u>793,003</u>

**12. Employees**

The Company had no employees during the year (2003: Nil).

**13. Directors' Emoluments**

	2004 US\$000	2003 US\$000
Directors' emoluments	738	1,037
Amounts receivable under long term incentive schemes	<u>56</u>	<u>112</u>
	794	1,149
Company contributions to money purchase pension schemes	<u>243</u>	<u>13</u>
	<u>1,037</u>	<u>1,162</u>

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**13. Directors' Emoluments (continued)**

Where directors perform services for a number of companies within the Credit Suisse Group, the total emoluments payable to each director have been apportioned to the respective entities. The directors' emoluments have been borne by subsidiary undertakings.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was US\$733,338 (2003: US\$1,103,380). The highest paid director was a member of a money purchase pension scheme and the contribution paid during the year was US\$240,793 (2003: US\$12,646). During the year the highest paid director received an entitlement to shares under a long term incentive scheme.

Retirement benefits are accruing to the following number of directors under:

	Number of Directors	
	2004	2003
Money purchase schemes	1	1
Defined benefit schemes	-	2
Both money purchase and defined benefit	<u>2</u>	<u>-</u>
Number of directors who exercised share options	<u>-</u>	<u>-</u>
Directors in respect of whose services shares were received or receivable under long term incentive schemes	<u>3</u>	<u>3</u>

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**14. Subsequent Events**

On 25 February 2005 the Company ceased its securities lending agreements in respect of the remaining 11% of ordinary shares in Credit Suisse First Boston InvestCo UK Limited and 25% of ordinary shares in Credit Suisse First Boston InvestCo UK No1 Limited. Under the securities lending agreements the ordinary shares were returned to the Company on this date, resulting in 100% ownership of Credit Suisse First Boston InvestCo UK Limited and Credit Suisse First Boston InvestCo UK No1 Limited.

On 25 February 2005 preference shares lent to Credit Suisse First Boston International under stock loan agreements in return for cash collateral to the same value, (included as deposits received and amounts due in respect of securities loaned) were returned to the Company and the cash collateral was repaid to Credit Suisse First Boston International.

On 29 April 2005 Credit Suisse First Boston (Europe) Limited, a subsidiary acquired 100% of Credit Suisse First Boston PF (Europe) Limited, which acts as limited partner in a fund to receive and distribute fees.

On 10 May 2005 the Company contributed US\$150,000,000 by way of capital contributions to Credit Suisse First Boston (Europe) Limited.

On 18 July 2005 Credit Suisse First Boston Equities Limited paid to the company an interim dividend of £40,000,000. This was £12,250,000 from the capital contribution reserve and £27,750,000 from retained earnings. A corresponding write down of the investment in Credit Suisse First Boston Equities Limited of US\$20,212,050 was made.