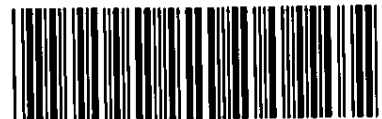


**CREDIT SUISSE INVESTMENT HOLDINGS (UK)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## BOARD OF DIRECTORS

Costas P Michaelides

Director

Andrew W Reid

Director

Kevin L Studd

Director

## COMPANY SECRETARY

Paul E Hare

Secretary

Company Registration Number 03045280

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and the financial statements for the year ended 31 December 2007

### **Business review and principal activities**

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

Credit Suisse Group AG ('CSG'), a company domiciled in Switzerland, is the ultimate parent of a worldwide group of companies (collectively referred to as the Credit Suisse group) specialising in Investment Banking, Private Banking and Asset Management

The Company's principal interests include investments in

- Credit Suisse Securities (Europe) Limited, whose principal activities are the arranging of finance for clients in the international capital markets, the provision of financial advisory services and acting as dealer in securities, derivatives and foreign exchange on a principal and agency basis
- Credit Suisse First Boston Equities, which traded in equities and equity derivative products, but which ceased trading on 1 January 2006, with the intention of being liquidated in the future. On 22 August 2007, the company, cancelled 14,999,998 ordinary shares of £1 each and returned the capital to the parent company, Credit Suisse Investment Holdings (UK),
- Credit Suisse First Boston Canary Wharf Health Club Limited, which carries on the business of a sport, health and fitness club,
- Credit Suisse Securities Sociedad de Valores SA, a Spanish Equity Brokerage company,
- Credit Suisse Client Nominees (UK) Limited, a wholly owned subsidiary of Credit Suisse Securities (Europe) Limited, which holds registered securities for Credit Suisse Securities (Europe) Limited and its clients,
- Credit Suisse First Boston Trustees Limited, a wholly owned subsidiary of Credit Suisse Securities (Europe) Limited, a trust company,
- Credit Suisse First Boston Equities Nominees Limited, which was dissolved on 8 May 2007,
- 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 was dissolved on 18 December 2007,
- Credit Suisse (Kazakhstan) Limited Liability Partnership, was resolved to be formed on 21 December 2006 and was formed in 2007 to provide marketing and administration support for clients
- Grupo Financiero Credit Suisse (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 (Mexico), S A, a 99.9% owned subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V providing banking facilities in Mexico,

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

### Business review and principal activities (continued)

- Casa de Bolsa Credit Suisse (Mexico), S A de C V , a 99.9% owned subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V providing broker dealer facilities in Mexico,
- Credit Suisse Servicios Mexico S A de C V , a 99.9% owned subsidiary of Grupo Financiero Credit Suisse (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 unregulated subsidiary incorporated in Cayman for investment purposes, but which ceased activities during 2006 and became dormant,
- Credit Suisse First Boston InvestCo UK No1 Limited, which was dissolved on 1 September 2008,
- Credit Suisse First Boston InvestCo UK No2 Limited, which was dissolved on 30 June 2008,
- 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,
- Credit Suisse First Boston Gilts, formerly a UK Government Bond Primary Dealer which is expected to be liquidated in the future, and
- Credit Suisse First Boston PF (Europe) Limited, a wholly owned subsidiary of Credit Suisse Securities (Europe) Ltd, which acts as a limited partner in funds for The Private Funds Group
- During the year, capital contributions of US\$2,994,457,500 were made to Credit Suisse Securities (Europe) Limited, US\$17,652,870 to Credit Suisse First Boston Canary Wharf Health Club Limited and US\$1,560 to Credit Suisse Kazakhstan Limited Liability Partnership

There has been no significant change in the Company's principal activities compared to previous years. The directors are not aware of any significant developments or factors which will have a major impact on the continued success or operation of the business in the future.

### Principal risks and uncertainties

The Company faces few risks as the majority of transactions it undertakes are with companies within the Credit Suisse group.

The main risk facing the entity is credit risk. Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet part or all of their obligations. Credit risk is not considered a significant risk as the majority of receivable balances as at 31 December 2007 are with companies within the Credit Suisse group.

### Key performance indicators ("KPI's")

Given the straight forward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

### Performance

The loss for the year was US\$99,720,000 (2006 US\$21,311,000)

### Share capital

On 16 November 2007, the authorised share capital of the Company was increased from US\$1,100,000,000 and £60,000,000 to US\$2,000,000,000 and £60,000,000 by the creation of 900,000,000 ordinary shares of US\$1 each. On the same date, the Company issued 800,000,000 ordinary shares of US\$1 each to the parent company Credit Suisse Investments (UK).

On 5 December 2007, the authorised share capital of the Company was further increased from US\$2,000,000,000 and £60,000,000 to US\$3,300,000,000 and £60,000,000 by the creation of 1,300,000,000 ordinary shares of US\$1 each. On the same date, the Company issued 1,300,000,000 ordinary shares of US\$1 each to the parent company Credit Suisse Investments (UK).

There was no share capital issuance in 2006.

### Capital contribution

On 14 June 2007, 12 July 2007 and 5 September 2007, the Company received US\$400,000,000, US\$399,457,500 and US\$245,000,000 of capital contributions respectively, from the parent company, Credit Suisse Investments (UK) (2006 US\$150,000,000).

### Dividends

No dividends were paid or are proposed for 2007 (2006 US\$Nil).

### Risk management

The group's financial risk management objectives and policies and the exposure of the group to foreign exchange risk, credit risk, liquidity risk and cash flow risk are outlined in note 19.

### Directors

The names of the directors as at the date of this report are set out on page 2. Changes in the board of directors since 31 December 2006, and up to the date of this report are as follows:

Resignation	Kevin J Burrowes	12 December 2007
Appointment	Andrew W Reid	12 December 2007

All directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Donations

No charitable or political donations were made during the year (2006 US\$Nil).

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

### **Auditor**

Pursuant to Section 386 of the Companies Act 1985, KPMG Audit Plc continues in office as the Company's auditor

### **Prompt payment code**

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

### **International Financial Reporting Standards**


The Company's 2007 annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU)

### **Subsequent events**

On 15 August 2008, the Company resolved to increase the charter capital of Credit Suisse (Kazakhstan) Limited Liability Partnership by the USD equivalent of 96,800,000 Kazakhstan Tenge by way of contribution of the Company to the charter capital of the Partnership

There were no other subsequent events that require disclosure as at the date of this report

By Order of the Board



Paul E Hare  
Secretary  
One Cabot Square  
London E14 4QJ  
30 September 2008

## **CREDIT SUISSE INVESTMENT HOLDINGS (UK)**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable laws

The financial statements are required by law to present fairly the financial position and the performance of the Company, the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation

In preparing these 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 they have been prepared in accordance with IFRSs as adopted by the EU, and
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its 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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDIT SUISSE INVESTMENT HOLDINGS (UK)

We have audited the financial statements of Credit Suisse Investment Holdings (UK) for the year ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been 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.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with IFRS as adopted by the EU, of the state of the Company's affairs as at 31 December 2007 and of the loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London  
6 October 2008



# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 US\$'000	2006 US\$'000
Interest and dividend income		12,364	86,036
Other income		5,949	16,473
<b>Revenue</b>	<b>3</b>	<b>18,313</b>	<b>102,509</b>
Other expenses	4	(116)	(28,745)
Finance costs	5	(121,684)	(126,068)
Administration expenses	6	(446)	(16)
Impairment of investment	8a	(14,206)	-
<b>Loss before tax</b>		<b>(118,139)</b>	<b>(52,320)</b>
Income tax benefit	7	18,419	31,009
<b>Loss for the year</b>		<b>(99,720)</b>	<b>(21,311)</b>

All losses for both 2007 and 2006 are from continuing operations

The notes on pages 13 to 31 form an integral part of these financial statements

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 US\$'000	2006 US\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	8	4,870,161	1,897,005
<b>Total non-current assets</b>		<b>4,870,161</b>	<b>1,897,005</b>
<b>Current assets</b>			
Amounts due from related companies	9	20,956	224,510
Other debtors	10	80	8
Cash and cash equivalents	11	189	423
<b>Total current assets</b>		<b>21,225</b>	<b>224,941</b>
<b>Total assets</b>		<b>4,891,386</b>	<b>2,121,946</b>
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Long term debt	15	1,135,073	1,288,151
<b>Current liabilities</b>			
Amounts due to related companies	13	722,691	844,934
Other accrual	14	9	-
Bank overdrafts	11	14	-
<b>Total liabilities</b>		<b>1,857,787</b>	<b>2,133,085</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	16	3,453,972	1,353,972
Capital reserve	17	2,405,215	1,360,757
Retained earnings		(2,825,588)	(2,725,868)
<b>Total shareholders' equity</b>		<b>3,033,599</b>	<b>(11,139)</b>
<b>Total shareholders' equity and liabilities</b>		<b>4,891,386</b>	<b>2,121,946</b>

The notes on pages 13 to 31 form an integral part of these financial statements.

Approved by the Board of Directors on 30 September 2008 and signed on its behalf by



Andrew W Reid  
Director

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007

	Share Capital	Capital reserve	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2006</b>	<b>1,353,972</b>	<b>1,210,757</b>	<b>(2,704,557)</b>	<b>(139,828)</b>
Loss for the year	-	-	(21,311)	(21,311)
<b>Total recognised income and expense for the year</b>	<b>-</b>	<b>-</b>	<b>(21,311)</b>	<b>(21,311)</b>
Capital contribution	-	150,000	-	150,000
<b>Balance at 31 December 2006</b>	<b>1,353,972</b>	<b>1,360,757</b>	<b>(2,725,868)</b>	<b>(11,139)</b>

	Share Capital	Capital reserve	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2007</b>	<b>1,353,972</b>	<b>1,360,757</b>	<b>(2,725,868)</b>	<b>(11,139)</b>
Loss for the year	-	-	(99,720)	(99,720)
<b>Total recognised income and expense for the year</b>	<b>-</b>	<b>-</b>	<b>(99,720)</b>	<b>(99,720)</b>
Share capital issued	2,100,000	-	-	2,100,000
Capital contribution	-	1,044,458	-	1,044,458
<b>Balance at 31 December 2007</b>	<b>3,453,972</b>	<b>2,405,215</b>	<b>(2,825,588)</b>	<b>3,033,599</b>

The notes on pages 13 to 31 form an integral part of these financial statements

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 US\$'000	2006 US\$'000
<b>Operating activities of operations</b>			
Loss before tax for the year		(118,139)	(52,320)
<b>Adjustments to reconcile net income to net cash provided by operating activities</b>			
<i>Non-cash items included in loss before tax and other adjustments</i>			
Foreign exchange gains	3	(5,311)	-
Gain on disposal of financial instruments	3	-	(1,349)
Foreign exchange losses	8b	-	31,853
Dividend income	3	(8,061)	(37,588)
Impairment of investment	8a	14,206	-
<i>Net decrease in operating assets</i>			
Decrease in amounts due from related companies	9	221,973	99,045
Increase on other debtors	10	(72)	-
<i>Net increase / (decrease) in operating liabilities</i>			
(Decrease) / increase in amounts due to related companies	13	(122,243)	(1,234,312)
Increase in other accrual	14	9	-
<b>Cash generated from operations</b>		<b>(17,638)</b>	<b>(1,194,671)</b>
Income taxes (paid) / refund		-	192,581
<b>Net cash flow from operating activities</b>		<b>(17,638)</b>	<b>(1,002,090)</b>
<b>Investing activities</b>			
Return of capital from subsidiary	8a	30,061	-
Investment in subsidiaries	8a	(3,012,112)	(1,267,714)
Redemption of preference share investments	8b	-	794,611
Proceeds from disposal of financial instruments	8c	-	1,442
Dividend received		8,061	37,588
<b>Net cash flow used in investing activities</b>		<b>(2,973,990)</b>	<b>(434,073)</b>
<b>Financing activities</b>			
(Decrease)/increase in long term debt	15	(153,078)	1,288,151
Share capital issued	16	2,100,000	-
Capital contribution	17	1,044,458	150,000
<b>Net cash flow from financing activities</b>		<b>2,991,380</b>	<b>1,438,151</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(248)</b>	<b>1,988</b>
Cash and cash equivalents at beginning of year		423	(1,565)
<b>Cash and cash equivalents at end of year</b>		<b>175</b>	<b>423</b>
<b>Cash and cash equivalents at end of year comprises:</b>			
Cash and cash equivalents	11	189	423
Bank overdrafts	11	(14)	-
		<b>175</b>	<b>423</b>

The notes on pages 13 to 31 form an integral part of these financial statements

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 1. General

Credit Suisse Investment Holdings (UK) is a company domiciled in the United Kingdom. The Company's principal activity is to serve as a holding company.

### 2. Significant Accounting Policies

#### a) Statement of compliance

Following the adoption of Regulation EC 1606/2002 on the 19 July 2002 by the European Parliament, the Company has elected to prepare financial statements in accordance with IFRS as adopted by the European Union ('EU'), including the standards (IAS/IFRS), as well as the interpretations issued by both the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) as applicable to the Company under IFRS for financial periods beginning 1 January 2005 and the Companies Act 1985 ('the Act').

#### b) Basis of preparation

The Company's financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS").

The financial statements are presented in United States Dollars (US\$).

As of 1 January 2007, the Company has adopted the provisions of IFRS 7 'Financial Instruments – Disclosures'. The new standard addresses financial instrument disclosures and does not change the recognition and measurement of financial instruments. Accordingly, it will have no effect on the Income Statement and Statement of Changes in Equity. The new standard requires enhanced quantitative and qualitative risk disclosures for all major categories of financial instruments. Also, as of 1 January 2007, the amendments (Capital Disclosures) to IAS 1 "Presentation of Financial Statements" have been adopted. This amendment focuses on capital disclosures and details the objectives, policies and processes for managing capital.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 2. Significant Accounting Policies (continued)

#### b) Basis of preparation (continued)

Furthermore the Company adopted the following interpretations as of 1 January 2007,

- IFRIC 7 'Applying the Restatement Approach under IAS 29 "Financial Reporting in Hyperinflationary Economies',
- IFRIC 8 'Scope of IFRS 2',
- IFRIC 9 'Reassessment of Embedded Derivatives', and
- IFRIC 10 'Interim Financial Reporting and Impairment'

The application of these interpretations had no significant effect on the Company's financial statements

Except for the above changes, the accounting policies set out below have been applied consistently by the Company. The accounting policies used by the Company have been applied consistently to all years presented in these financial statements. The financial statements have also been prepared in accordance with the Companies Act 1985.

#### c) Foreign currency

Transactions denominated in currencies other than the functional currency of the reporting entity are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated to US\$ at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies at balance sheet date are not revalued for movements in foreign exchange rates.

#### d) Cash and cash equivalents

For the purpose of preparation and presentation of the cash flow statement, cash and cash equivalents are defined as short-term, highly liquid instruments with original maturities of three months or less and that are held for cash management purposes.

Cash and cash equivalents also include overdrafts for the purposes of the cash flow statement.

#### e) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the income tax is recognised in equity. For items initially recognised in equity and subsequently recognised in the income statement, the related income tax initially recognised in equity is also subsequently recognised in the income statement.

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 2. Significant accounting policies (continued)

#### e) Income tax (continued)

Current tax is the expected tax payable on the taxable income for the year and includes any adjustment to tax payable in respect of previous years. Current tax is calculated using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax-base. The principal temporary differences arise from the revaluation of certain investments. The amount of deferred tax provided is based on the amount at which it is expected to recover or settle the carrying amount of assets and liabilities in the balance sheet, using tax rates enacted or substantively enacted at the balance sheet date.

Information as to the calculation of income tax on the profit or loss for the periods presented is included in Note 7.

#### f) Interest income

Interest income relates to intercompany loan interest, amounts received on the Company's bank accounts and amounts received from the Company's investment in securities, which are redeemable with fixed dividends.

Interest income is recognised on an effective yield basis.

#### g) Investments

Investment in subsidiaries are carried at cost and are assessed on a regular basis for impairment.

Investment in unquoted debt securities are classified as loans and receivables. They are held at amortised cost in the balance sheet and changes in foreign exchange are recognised in the income statement.

Financial investments are available-for-sale assets. These investments have not been fair valued as they are unquoted equity investments and the fair value cannot be reliably measured.

#### h) Critical accounting estimates, and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 2. Significant accounting policies (continued)

#### **h) Critical accounting estimates, and judgements in applying accounting policies (continued)**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### ***Fair Value***

The Company reports fair values in the financial statements with respect to financial instruments. Fair value may be objective, as is the case for exchange-traded instruments, for which quoted prices in price-efficient and liquid markets generally exist, or as is the case where a financial instrument's fair value is derived from actively quoted prices or pricing parameters or alternative pricing sources with a reasonable level of price transparency. For financial instruments that trade infrequently and have little price transparency, fair value may be subjective and require varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

#### ***Income taxes***

##### ***Deferred tax valuation***

Deferred tax assets and liabilities are recognised to reflect the estimated amounts of income tax recoverable/payable in future periods in respect of temporary differences and unused carry forward of tax losses and credits. For temporary differences and unused carry forward of tax losses and credits, a deferred tax asset is recognised to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilised. Similarly, a deferred tax asset is recognised on unused carry forward tax losses and credits to the extent that it is probable that future taxable profits will be available against which the unused carry forward tax losses and credits can be utilised.

Periodically, management evaluates the probability that taxable profits will be available against which the deductible temporary differences and unused carry forward tax losses and credits can be utilised. Within this evaluation process, management also considers tax-planning strategies. The evaluation process requires significant management judgement, primarily with respect to projecting future taxable profits.

##### ***Tax contingencies***

Significant judgement is required in determining the effective tax rate and in evaluating certain tax positions. The Company may accrue for tax contingencies despite the belief that positions taken in tax returns are always fully supportable. Tax contingency accruals are adjusted due to changing facts and circumstances, such as case law, progress of audits or when an event occurs requiring a change to the tax contingency accruals. Management regularly assesses the appropriateness of provisions for income taxes. Management believes that it has appropriately accrued for any contingent tax liabilities.



## CREDIT SUISSE INVESTMENT HOLDINGS (UK)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

#### 3. Revenue

	2007 US\$'000	2006 US\$'000
Interest income	4,303	48,448
Dividend income	8,061	37,588
Gain on redemption of preference shares (note 17b)	-	15,124
Foreign exchange translation gains	5,311	-
Other income	638	1,349
<b>Total revenue</b>	<b>18,313</b>	<b>102,509</b>

#### 4. Other expenses

	2007 US\$'000	2006 US\$'000
Foreign exchange translation losses	116	28,745
<b>Total other expenses</b>	<b>116</b>	<b>28,745</b>

#### 5. Finance cost

	2007 US\$'000	2006 US\$'000
Interest expense	121,648	126,003
Other expense	36	65
<b>Total finance cost</b>	<b>121,684</b>	<b>126,068</b>

#### 6. Administration expenses

	2007 US\$'000	2006 US\$'000
Fees payable to the auditors in respect of the audit of the Company	9	16
Pre-registration expenses	437	-
<b>Total administration expenses</b>	<b>446</b>	<b>16</b>

In 2006, audit fees were paid by another group company and recharged to the Company. Pre-registration expenses were incurred in setting up Credit Suisse (Kazakhstan) Limited Liability Partnership.

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 7. Income tax benefit

	2007 US\$'000	2006 US\$'000
<b><u>Components of tax benefit</u></b>		
<b>Current tax</b>		
Current tax on loss for the year	(17,640)	(13,195)
Adjustments in respect of previous periods	(779)	-
<b>Total current tax</b>	<b>(18,419)</b>	<b>(13,195)</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	(17,814)
<b>Total deferred tax</b>	<b>-</b>	<b>(17,814)</b>
<b>Income tax benefit</b>	<b>(18,419)</b>	<b>(31,009)</b>

### Reconciliation of effective tax rate

The income tax benefit for the year can be reconciled to the loss per the income statement as follows

	2007 US\$'000	2006 US\$'000
<b>Loss before tax</b>	<b>(118,139)</b>	<b>(52,320)</b>
Loss before tax multiplied by the UK statutory rate of corporation tax at the rate of 30% (2006 30%)	(35,442)	(15,696)
Tax effect of expenses that are non-deductible in determining taxable loss	16,149	15,365
Tax effect of utilising tax losses on which no deferred tax previously recognised	(191)	-
Non-taxable income arising on dividends from UK tax resident subsidiaries	(2,418)	(22,199)
Non-deductible/(non-taxable) foreign exchange movements	-	(43,163)
Adjustment to current tax in respect of previous periods	(779)	-
Group relief surrendered for consideration lower/(in excess) of 30%	-	5,673
No deferred tax recognised on capital losses	-	29,011
Non-deductible writedown of investment in subsidiaries	4,262	-
<b>Income tax benefit</b>	<b>(18,419)</b>	<b>(31,009)</b>

## CREDIT SUISSE INVESTMENT HOLDINGS (UK)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

#### 8. Investments

	2007 US\$'000	2006 US\$'000
Investment in subsidiaries (note 8a)	4,870,053	1,896,897
Loans and receivables (note 8b)	-	-
Financial investments held as available-for-sale (note 8c)	108	108
<b>Investments</b>	<b>4,870,161</b>	<b>1,897,005</b>

#### a) Investment in subsidiaries

A list of the investment in subsidiaries is given on the next page

Movements in investment in subsidiaries for the year were as follows

	2007 US\$'000	2006 US\$'000
As at 1 January	1,896,897	629,184
Investment in subsidiaries	3,012,112	1,267,713
Return of capital from Credit Suisse First Boston Equities	(24,750)	-
Impairment in Credit Suisse First Boston Canary Wharf Health Club Limited	(14,206)	-
<b>As at 31 December</b>	<b>4,870,053</b>	<b>1,896,897</b>

During the year, capital contributions of US\$894,457,500 (2006 US\$1,247,661,200) were made to Credit Suisse Securities (Europe) Limited, US\$17,652,870 (2006 Nil) made to Credit Suisse First Boston Canary Wharf Health Club Limited and US\$1,560 (2006 Nil) made to Credit Suisse (Kazakhstan) Limited Liability Partnership. The Company was also allotted US\$2,100,000,000 of ordinary shares (2006 US\$Nil) of Credit Suisse Securities (Europe) Limited at US\$1 each at par for cash during the year.

On 22 August 2007, Credit Suisse First Boston Equities, a subsidiary company, cancelled 14,999,998 ordinary shares of £1 each and returned the capital to the parent company, Credit Suisse Investment Holdings (UK). This resulted in a return of US\$24,750,000 capital, and US\$5,311,000 foreign exchange gain for the Company.

Due to the decline in net asset value of the subsidiary company Credit Suisse First Boston Canary Wharf Health Club Limited, the Company made an assessment on its investment and at year end the balance was deemed to be impaired by US\$14,206,000.

Under section 228 of the Companies Act 1985, the Company is exempt from preparing consolidated financial statements as the Company is 99.935% owned by Credit Suisse Investments (UK) which prepares consolidated accounts. The ultimate holding company is Credit Suisse Group AG, which is incorporated in Switzerland.

Copies of accounts of Credit Suisse Investments (UK) and group accounts 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, Mandy, Cardiff and Credit Suisse Group AG, Paradeplatz, P O Box 1, 8070 Zurich, respectively.

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### a) Investment in subsidiaries (continued)

% of equity	Company name	Domicile	Activity	Investment in US\$
100	Credit Suisse Securities (Europe) Limited	UK	International corporate finance and securities issuing and trading company	4,762,118,700
100	Grupo Financiero Credit Suisse (Mexico), S A de C V	Mexico	Regulated Mexican financial holding company to service the Mexican Bank and Mexican Broker Dealer entities	95,252,091
100	Credit Suisse First Boston Equities	UK	Traded in equities and equity derivative products Ceased trading on 1 January 2006, with the intention of being liquidated in the future	4
100	Credit Suisse Securities Sociedad de Valores SA	Spain	Spanish Equity Brokerage company	9,213,570
100	Credit Suisse First Boston Fixed Assets Limited	UK	Holding company	17,717
99	Credit Suisse First Boston Canary Wharf Health Club Limited	UK	Carries on the business of a sport, health and fitness club	3,447,348
100	Credit Suisse First Boston InvestCo UK Limited	Cayman	Unregulated subsidiary incorporated in Cayman for investment purposes	802
100	Credit Suisse First Boston InvestCo UK No1 Limited	Cayman	Will be dissolved on 1 September 2008	1,000
100	Credit Suisse First Boston InvestCo UK No2 Limited	Cayman	Dormant, was dissolved on 30 June 2008	891
100	Credit Suisse First Boston Gilts	UK	Formerly a UK Government Bond Primary Dealer which is expected to be liquidated in the future	4
100	Credit Suisse (Kazakhstan) Limited Liability Partnership	Kazakhstan	Provides marketing and administration support for clients	1,560
100	Credit Suisse Client Nominees (UK) Limited	UK	Subsidiary of Credit Suisse Securities (Europe) Limited, which holds registered securities of Credit Suisse Securities (Europe) Limited and its clients	Indirect
100	Credit Suisse First Boston Trustees Limited	UK	Subsidiary of Credit Suisse Securities (Europe) Limited, a trust company	Indirect
100	Credit Suisse First Boston PF (Europe) Limited	UK	Subsidiary of Credit Suisse Securities (Europe) Limited, which acts as a limited partner in funds for the Private Fund Group	Indirect
99.9	Banco Credit Suisse (Mexico), S A	Mexico	Subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V , providing banking facilities in Mexico	Indirect
99.9	Casa de Bolsa Credit Suisse (Mexico), S A de C V	Mexico	Subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V , providing broker dealer facilities in Mexico	Indirect
99.9	Credit Suisse Servicios Mexico S A de C V	Mexico	Subsidiary of Grupo Financiero Credit Suisse (Mexico), S A de C V , providing service facilities to the Mexican Bank and Broker Dealer companies	Indirect
99	DLJ UK Properties Limited	UK	Subsidiary of Credit Suisse First Boston Fixed Assets Limited, a property investment company, which rents fixed assets to other group companies	Indirect
				<b>4,870,053,687</b>

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 8. Investments (continued)

#### b) Loans and receivables

	2007 US\$'000	2006 US\$'000
As at 1 January	-	826,464
Foreign exchange movement	-	(31,853)
Repayment of loans and receivables	-	(794,611)
<b>As at 31 December</b>	<b>-</b>	<b>-</b>

The loans and receivables represented an investment in the preference shares of Credit Suisse First Boston InvestCo UK Limited and Credit Suisse First Boston InvestCo UK No 1 Limited, which are subsidiary companies. The preference shares were issued as redeemable preference shares with fixed dividends. On 17 May 2006, these preference shares were fully repurchased.

In 2006, the effective interest rate on loans and receivables was 14.70% and the average maturity was 137 days, based on the actual redemption of these instruments during 2006.

#### c) Financial investments held as available-for-sale

	2007 US\$'000	2006 US\$'000
As at 1 January	108	200
Additions	-	1
Disposal of financial investment	-	(93)
<b>As at 31 December</b>	<b>108</b>	<b>108</b>

Financial investments represent the Company's 15.84% investment in Portucale SGFTC S.A., a Portuguese fund manager. In 2006, the Company disposed its 10% investment in First South Securities (Proprietary) Limited, a local broker in South Africa.

### 9. Amounts due from related companies

	2007 US\$'000	2006 US\$'000
Receivables from related companies (note 17a)	661	222,634
Group tax relief due from related companies (note 17a)	20,295	1,876
<b>Amounts due from related companies</b>	<b>20,956</b>	<b>224,510</b>

Receivables from related companies represent intercompany deposits held by the Company, which are interest bearing.

The fair value of amounts due from related companies approximates book value due to their short-term nature. The effective interest rate on USD receivables from related companies was 5.78% (2006: 5.83%) and the average maturity was 136 days (2006: 31 days).

## CREDIT SUISSE INVESTMENT HOLDINGS (UK)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

#### 10. Other debtors

	2007 US\$'000	2006 US\$'000
Withholding tax receivable	80	8
<b>Other debtors</b>	<b>80</b>	<b>8</b>

#### 11. Cash and cash equivalents and bank overdrafts

	2007 US\$'000	2006 US\$'000
Cash at bank	189	423
Bank overdrafts	(14)	-
<b>Cash and cash equivalents and bank overdrafts</b>	<b>175</b>	<b>423</b>

The fair value of cash and cash equivalents and bank overdrafts equal book value

All bank accounts are repayable on demand. The effective interest rate is 5.3% (2006 4.75%) for USD balances, 6.3% (2006 4.6%) for GBP balances and 5.1% (2006 3%) for EUR balances

#### 12. Deferred tax

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2006 30%)

The movement for the year on the deferred tax position is analysed as follows

	2007 US\$'000	2006 US\$'000
Beginning of the year	-	17,814
Benefit to income for the year	-	(17,814)
<b>At end of year</b>	<b>-</b>	<b>-</b>

Deferred tax assets are recognised on carry forward tax losses only to the extent that realisation of the related tax benefit is probable. The Company has capital losses of £49,589,382 (US\$99,054,790) (2006 £49,215,813 / US\$96,704,151) to carry forward against future capital gains and these have no expiry date. The benefit of these tax losses has not been recognised in these financial statements due to the uncertainty of their recoverability. Following a change to the rate of UK corporation tax with effect from 1 April 2008 the unrecognised deferred tax asset on capital losses will be reduced by £991,000 (US\$1,981,097). As the deferred tax is not recognised, there is not expected to be any effect to the tax charge for the foreseeable future.

The Company had no deferred tax provided or deferred tax liabilities not recognised in respect of subsidiaries at 31 December 2007 (2006 US\$Nil)

## CREDIT SUISSE INVESTMENT HOLDINGS (UK)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

#### 13. Amounts due to related companies

	2007 US\$'000	2006 US\$'000
Payables to related companies (note 18a)	722,661	844,904
Other accruals (note 18a)	30	30
<b>Amounts due to related companies</b>	<b>722,691</b>	<b>844,934</b>

Payables to related companies represents intercompany loans made to the Company, which are interest bearing

The fair value of amount due to related companies approximates book value due to their short-term nature. The effective interest rate on USD amounts due to related companies was 5.37% (2006 5.84%) and the average maturity was 35 days (2006 84 days). In 2006, the effective interest rate on EUR amounts due to related companies was 4.11% and the average maturity was 91 days.

#### 14. Other accrual

	2007 US\$'000	2006 US\$'000
Accrual for audit fee	9	-
<b>Other accrual</b>	<b>9</b>	<b>-</b>

In 2006, audit fees were paid by another group company and recharged to the Company.

#### 15. Long term debt

	2007 US\$'000	2006 US\$'000
Subordinated debt (note 18a)	1,135,073	1,288,151
<b>Total long term debt</b>	<b>1,135,073</b>	<b>1,288,151</b>

At 31 December 2007 subordinated debt comprises an amount of US\$1,135,073,000 advanced by Credit Suisse First Boston Finance BV, a fellow company under common control, under agreement dated 13 April 2006 (2006 US\$1,288,151,000). During the year the Company reduced its subordinated loan capital from Credit Suisse First Boston Finance BV by US\$153,078,000 (2006 US\$1,288,151,000).

Under the terms of the facility dated 13 April 2006, the Company may repay, in whole or in part, any amounts outstanding upon giving prior written notice to the lender and FSA. The earliest date at which the lender can request repayment shall not be less than 5 years and one day from the date on which the relevant advance is made and shall not be later than 31 December 2031.

Under the terms of the facility dated 13 April 2006, interest is at such a rate as may be agreed between the parties. Under the facility, the loan and any interest outstanding thereon is subordinated in right of repayment to all other indebtedness and liabilities of the Company.

# CREDIT SUISSE INVESTMENT HOLDINGS (UK)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 16. Share capital

	2007 US\$'000	2006 US\$'000
<b>Authorised:</b>		
2,300,000,000 ordinary shares of US\$1 each	2,300,000	100,000
1,000,000,000 preference shares of US\$1 each	1,000,000	1,000,000
	2007 GBP'000	2006 GBP'000
60,000,000 preference shares of GBP1 each	60,000	60,000
	2007 US\$'000	2006 US\$'000
<b>Total allotted, called up and fully paid share capital</b>		
2,173,369,578 (2006 73,369,578) ordinary shares of US\$1 each	2,173,369	73,369
860,000,000 preference shares of US\$1 each	860,000	860,000
35,000,000 preference shares of GBP1 each	58,003	58,003
Share premium	362,600	362,600
<b>Share capital</b>	<b>3,453,972</b>	<b>1,353,972</b>

On 16 November 2007, the authorised share capital of the Company was increased from US\$1,100,000,000 and £60,000,000 to US\$2,000,000,000 and £60,000,000 by the creation of 900,000,000 ordinary shares of US\$1 each. On the same date, the Company issued 800,000,000 ordinary shares of US\$1 each to the parent company Credit Suisse Investments (UK).

On 5 December 2007, the authorised share capital of the Company was further increased from US\$2,000,000,000 and £60,000,000 to US\$3,300,000,000 and £60,000,000 by the creation of 1,300,000,000 ordinary shares of US\$1 each. On the same date, the Company issued 1,300,000,000 ordinary shares of US\$1 each to the parent company Credit Suisse Investments (UK).

There was no share capital issuance in 2006.

#### Preference shares

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.

#### Share options

The Company does not offer share options to directors.



## CREDIT SUISSE INVESTMENT HOLDINGS (UK)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

#### 17. Capital reserve

	2007 US\$'000	2006 US\$'000
Capital reserve	2,405,215	1,360,757
<b>Capital reserve</b>	<b>2,405,215</b>	<b>1,360,757</b>

The movement for the year on capital reserve is analysed as follows

Beginning of the year	1,360,757	1,210,757
Capital contributions during the year	1,044,458	150,000
<b>At end of year</b>	<b>2,405,215</b>	<b>1,360,757</b>

On 14 June 2007, 12 July 2007 and 5 September 2007, the Company received US\$400,000,000, US\$399,457,500 and US\$245,000,000 of capital contributions respectively, from the parent company, Credit Suisse Investments (UK) (2006 US\$150,000,000), to provide support for its trading activities. The capital reserve is distributable by way of dividends.

#### 18. Related party transactions

The Company is controlled by Credit Suisse Investments (UK), incorporated in the United Kingdom and which owns 99.935% of the ordinary shares. The ultimate parent company is Credit Suisse Group AG, which is incorporated in Switzerland.

The Company is involved in significant financing and other transactions, and has significant related party balances, with subsidiaries and affiliates of Credit Suisse Group AG. The Company generally enters into these transactions in the ordinary course of business and believes that these transactions are generally on market terms that could be obtained from unrelated parties.

During the year, there were capital contributions of US\$1,044,458,000 (2006 US\$150,000,000), please refer to note 16 for more details. The following tables set forth the Company's related party assets and liabilities and related party revenues and expenses.

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)  
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**18. Related party transactions (continued)**

**a) Related party assets and liabilities**

	2007					2006		
	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals US\$'000	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals US\$'000
<b>ASSETS</b>								
<b>Non-current assets</b>								
Investments	-	-	4,870,053	4,870,053	-	-	1,896,897	1,896,897
Financial investments held as available for sale	-	1	-	1	-	1	-	1
<b>Total related party non-current assets</b>	-	1	4,870,053	4,870,054	-	1	1,896,897	1,896,898
<b>Current assets</b>								
Receivables from related companies	-	7	654	661	222,634	-	-	222,634
Group tax relief due from related companies	-	20,295	-	20,295	-	1,876	-	1,876
Cash and cash equivalents	-	189	-	189	-	404	-	404
<b>Total related party current assets</b>	-	20,491	654	21,145	222,634	2,280	-	224,914
<b>Total related party assets</b>	-	20,492	4,870,707	4,891,199	222,634	2,281	1,896,897	2,121,812
<b>LIABILITIES</b>								
<b>Non-current liabilities</b>								
Subordinated debt	-	1,135,073	-	1,135,073	-	1,288,151	-	1,288,151
<b>Current liabilities</b>								
Payables to related companies	-	722,570	121	722,691	-	844,787	147	844,934
Bank overdrafts	-	14	-	14	-	-	-	-
<b>Total related party liabilities</b>	-	1,857,657	121	1,857,778	-	2,132,938	147	2,133,085

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)  
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**18. Related party transactions (continued)**

**b) Related party revenues and expenses**

	2007				2006			
	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals	Parent US\$'000	Fellow group companies US\$'000	Subsidiaries US\$'000	Totals
Interest and dividend income	3,534	769	8,061	12,364	11,930	37,617	36,408	85,955
Foreign exchange translation gains	-	-	5,311	5,311	-	-	-	-
Gain on redemption of preference shares	-	-	-	-	-	-	15,124	15,124
<b>Total related party revenue</b>	<b>3,534</b>	<b>769</b>	<b>13,372</b>	<b>17,675</b>	<b>11,930</b>	<b>37,617</b>	<b>51,532</b>	<b>101,079</b>
Administration expenses	-	-	437	437	-	16	-	16
Finance costs	-	121,684	-	121,684	-	107,142	18,872	126,014
Impairment of investment	-	-	14,206	14,206	-	-	-	-
<b>Total related party expenses</b>	<b>-</b>	<b>121,684</b>	<b>14,643</b>	<b>136,327</b>	<b>-</b>	<b>107,158</b>	<b>18,872</b>	<b>126,030</b>

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)**  
**(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT**  
**HOLDINGS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**18. Related party transactions (continued)**

**c) Remuneration of directors and key management personnel**

	2007 US\$'000	2006 US\$'000
Directors' emoluments	204	1,178
Amounts receivable under long term incentive schemes	453	1,020
	<u>657</u>	<u>2,198</u>
Company contributions to money purchase pension schemes	72	242
	<u>729</u>	<u>2,440</u>

Under IFRS the aggregate value of compensation provided in the financial statements for 2007 for Directors was US\$781,756 (2006 US\$10,813,053)

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 companies. The directors' emoluments have been borne by subsidiary undertakings.

Included in amounts receivable under long term incentive schemes is \$14,907 (2006 \$56,734) relating to cash schemes.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was US\$657,403 (2006 US\$2,198,420). He was a member of a money purchase pension scheme and the contribution paid during the year for the money purchase pension scheme was US\$71,625 (2006 US\$241,599). 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	
	2007	2006
Money purchase schemes	2	2
Both money purchase and defined benefit	<u>2</u>	<u>1</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>4</u>	<u>3</u>

All directors benefited from qualifying third party indemnity provisions.

**d) Loans and advances to directors and key management personnel**

There were no loans or advances made to directors or key management personnel during the year (2006 US\$Nil).

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)  
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT HOLDINGS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**18. Related party transactions (continued)**

**e) Liabilities due to pension funds**

The Company has no employees and therefore does not have any liabilities with regard to pension funds

**19. Financial risk management**

The Company is part of the Credit Suisse group and its risks are managed as part of the global Credit Suisse group entity

The Company's activities expose it to a variety of financial risks market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance

Risk management is carried out by a central treasury department (Credit Suisse Group Treasury) under policies approved by its Board of Directors. Credit Suisse Group Treasury identifies, evaluates and hedges financial risks. The Credit Suisse Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity

**a) Foreign exchange risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to GBP. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. Credit Suisse Group Treasury is responsible for managing the net position in each foreign currency by, using external forward currency contracts or other suitable contracts

The Company had the following assets and liabilities denominated in currencies other than US\$. In 2007 the majority of these assets and liabilities are denominated in GBP (2006 GBP)

	2007 US\$'000	2006 US\$'000
Non-USD denominated assets	<u>26,974</u>	<u>9,380</u>
Non-USD denominated liabilities	<u>17</u>	<u>93</u>

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)  
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT  
HOLDINGS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**19. Financial risk management (continued)**

**b) Credit risk**

The Company's reporting currency is US dollars

The Company is exposed to credit risk from other Credit Suisse group companies, with the maximum exposure being US\$18,021,000 (2006 US\$224,518,000)

The Company has policies in place to ensure that loans are made only to customers with an appropriate credit history. These include a credit request and approval process, ongoing credit and counterparty monitoring and a credit quality review process.

Credit committees and senior credit managers make credit decisions on a transaction-by-transaction basis, determined by levels appropriate to the amount and complexity of the transactions, and based on the overall exposures to counterparties and their related parties.

There were no significant concentrations of credit risk by country or by industry other than the disclosures produced in Note 13 Amounts due from related companies.

There are no amounts due from group companies which are past due but not impaired.

**c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to meet requirements as they fall due. Credit Suisse Group Treasury manages the day-to-day liquidity position of Credit Suisse Group AG as a group. The Company is managed within this framework and receives intercompany funding.

The remaining contractual maturity for amounts due to related companies are short term in nature and approximate their carrying values as at 31 December 2007 in an 'on demand' categorisation.

**d) Cash flow and interest rate risk**

The Company has interest-bearing assets and liabilities including cash and cash equivalents, amounts due to and from related companies.

The interest rates associated with cash and cash equivalents, amounts due to and from related companies are variable and therefore the Company is exposed to some interest rate risk. Interest rates on cash and cash equivalents, amounts due to and from related companies typically reset within 3 months which minimizes the risk to changes in interest rates. The Company is not exposed to any third party counter-party interest rate risks.

The Company holds no other significant interest-bearing assets and liabilities and the remaining Company expenses and operating cash flows are substantially independent of changes in interest rates.

**CREDIT SUISSE INVESTMENT HOLDINGS (UK)  
(FORMERLY KNOWN AS CREDIT SUISSE FIRST BOSTON (UK) INVESTMENT  
HOLDINGS)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**20. Corporate asset and liability management**

The Group Treasury department at Credit Suisse also oversees corporate policy with respect to interest rate and foreign exchange exposure, as well as a range of other policy areas including debt maturity profile, internal and external capitalisation and intercompany funding. Credit Suisse minimises interest rate and foreign currency exposures from a corporate perspective.

**21. IFRS not yet adopted**

The Company is not required to adopt the following EU endorsed standards and interpretations which are issued but not yet effective:

- IFRS 8 'Operating Segments', which replaces IAS 14 'Segment Reporting', (effective for annual periods beginning on or after 1 January 2009 - expected adoption date 1 January 2009),
- IFRIC 11 'IFRS 2 - Group and Treasury Share Transactions' (effective 1 March 2007 - adoption date 1 January 2008)

The expected impact of the standards and interpretations issued but not yet effective is still being assessed, however the Company does not anticipate that the above interpretations will have a material impact on the Company's Financial Statements in the period of initial application.

The accounting policies have been applied consistently by group companies.

**22. Subsequent events**

On 15 August 2008, the Company resolved to increase the charter capital of Credit Suisse (Kazakhstan) Limited Liability Partnership by the USD equivalent of 96,800,000 Kazakhstan tenge by way of contribution of the Company to the charter capital of the Partnership.

There were no other subsequent events that require disclosure as at the date of this report.