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CREDIT SUISSE FIRST BOSTON GILTS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005



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CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)

BOARD OF DIRECTORS

Kevin Burrowes	Director
Costas P. Michaelides	Director
Kevin L. Studd	Director
Gillian McMillan	Alternate Director

Company Registration Number: 1900014

CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE FIRST BOSTON GILTS LIMITED)**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

The directors present their report and the financial statements for the year ended 31st December 2005.

Activities

The Company was a UK Government Primary Dealer until 24th May 2002. These operations were discontinued and all positions were transferred to Credit Suisse First Boston (Europe) Limited.

Going Concern

As of the 24th May 2002 all positions were transferred to Credit Suisse First Boston (Europe) Limited (a fellow subsidiary undertaking) and it is the directors' intention to liquidate the Company. Credit Suisse First Boston Gilts Ltd was deregulated by the FSA on 25th April 2003. Following a resolution by the Directors, the status of the Company was changed to that of an unlimited company on 5th June 2003. These accounts have been prepared on a going concern basis as there are no material differences between the going concern and the break up basis.

Directors

The names of the directors as at the date of this report are set out on page one. Changes in the directorate since 31 December 2004 are as follows:

Resignations:	Nigel Bretton	11 March 2005
	Geraldine Wright	18 July 2005
	Gillian McMillan	18 July 2005

Appointments:	Kevin Burrowes	11 March 2005
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Appointments – Alternate Directors:

Gillian McMillan	10 October 2005
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None of the directors who held office at the end of the financial year was beneficially interested, at any time during the year, in the shares of the Company or had any disclosable interest in shares of group companies.

Results

The loss on ordinary activities after taxation was £2,000 (2004: loss of £3,000). An interim dividend of £69,921.66 was proposed and paid to Credit Suisse Investment Holdings (UK) in July 2005 (2004: £Nil).

Auditors

The Company satisfies the provisions of *Section 249A(1)* of the *Companies Act 1985* and accordingly the Company is exempt from the obligation to appoint auditors.

**CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005**

Capital Contribution

No capital contributions were repaid during the year (2004: £Nil).

Repurchase of Shares

No share capital was repaid in the year (2004: £Nil).

Donations

No charitable or political donations were made during the year (2004: £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



Paul Hare
Company Secretary

One Cabot Square
London E14 4QJ

9th October 2006

**CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)
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 GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)**
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

Discontinued operations	Note	2005 £000	2004 £000
Operating income	2	2	1
Administrative expenses		<u>(4)</u>	<u>(4)</u>
Operating (Loss)/Profit on Ordinary Activities Before Taxation		(2)	(3)
Tax credit on (loss)/profit on ordinary activities	3	<u>-</u>	<u>-</u>
(Loss)/Profit on Ordinary Activities After Taxation		(2)	(3)
Dividends for the year	4	<u>(70)</u>	<u>-</u>
(Loss) Retained for the Year		<u>(72)</u>	<u>(3)</u>

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

There were no other recognised gains or losses during the year.

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

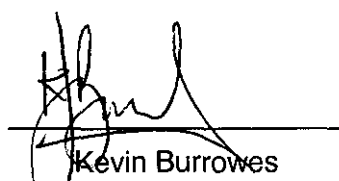
**CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)
BALANCE SHEET AS AT 31 DECEMBER 2005**

	Note	2005 £000	2004 £000
Current assets			
Debtors		-	-
Cash at bank		-	80
		-	80
Creditors: Amounts falling due within one year			
Other creditors	6	-	(8)
		-	(8)
Net Assets		-	72
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	-	72
Total Shareholders' Funds	9	-	72

For the year ended 31 December 2005:

1. The company is entitled to the exemption conferred by section 249A(1) of the Companies Act 1985 from the provisions of the Act relating to the audit of the accounts.
2. The members have not required the Company to obtain an audit of its accounts in accordance with section 249B(2) of the Companies Act 1985.
3. The directors acknowledge their responsibilities for:
 - i) ensuring the Company keeps accounting records which comply with section 221 of the Companies Act 1985.
 - ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit for the financial year in accordance with the requirements of the Act relating to accounts, so far as applicable to the Company.

Approved by the Board of Directors on 9th October 2006 and signed on its behalf by


Kevin Burrowes
Director

The notes on pages 7 to 12 form part of these Financial Statements

**CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005**

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.

As of the 24th May 2002 all positions were transferred to Credit Suisse First Boston (Europe) Limited (a fellow subsidiary undertaking) and it is the directors' intention to liquidate the Company. These accounts have been prepared on a going concern basis as there are no material differences between the going concern and the break up 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, cost of sales and gross profit 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. Operating income includes interest income.
- (c) Assets and liabilities in foreign currencies are translated into Pounds Sterling 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 these arise in the ordinary course of business.
- (d) 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.
- (e) Interest income and expense are accounted for on an accruals basis.

CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

1. Accounting Policies (continued)

- (f) Current tax is charged or credited based on amounts estimated to be payable on taxable profits for the current year. The charge for taxation takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.
- (g) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events 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 it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on 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.
- (h) 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 6.

CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

2. Operating Income

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

	2005 £000	2004 £000
Interest received		
On loans, bonds and overdrafts wholly repayable within 5 years	2	1
	<hr/>	<hr/>
	<u>2</u>	<u>1</u>

**CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005**

3. Tax Credit on (Loss)/Profit on Ordinary Activities

a. Analysis of tax charge / (credit) in the year

No current or deferred tax charge arises in respect of the loss for the year, or in respect of the previous year.

b. Factors affecting the tax charge / (credit) for the period

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

	2005 £'000	2004 £'000
Loss on ordinary activities before tax	(2)	(3)
Loss on ordinary activities multiplied by the Standard rate of corporation tax in the UK of 30%	(1)	(1)
Effects of:		
Group relief claimed for nil consideration	(1)	-
Other tax return adjustments	2	1
Current tax charge for the period (Note 3a)	-	-

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 rate may be reduced or increased if the Company claims or surrenders group relief and if the surrendering company is not fully compensated for the value of the tax losses.

d. Provision for deferred tax

The Company had no material provided or potential deferred tax at 31 December 2005 (2004: £Nil)

**CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)**
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005

4. Dividends

	2005 £000	2004 £000
Dividend on Ordinary Shares (2004: £Nil)	(70)	-
	<u>(70)</u>	<u>-</u>

5. Parent and Ultimate Holding Company

The Company is a wholly owned subsidiary undertaking of Credit Suisse Investments Holdings (UK) which is 98% owned by Credit Suisse Investments (UK) which prepares consolidated financial statements. 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. Other Creditors

	2005 £000	2004 £000
Amounts owed to parent and fellow subsidiary undertakings	-	8
	<u>-</u>	<u>8</u>

7. Called Up Share Capital

	2005 £	2004 £
Authorised 50,000,000 ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**CREDIT SUISSE FIRST BOSTON GILTS (FORMERLY CREDIT SUISSE
FIRST BOSTON GILTS LIMITED)**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2005**

8. Reserves

	Profit And Loss Account £000
1 January 2005	72
Loss for the year	<u>(72)</u>
31 December 2005	<u>-</u>

9. Movement in Shareholders' Funds

	2005 £000	2004 £000
(Loss)/Profit for the financial year	<u>(72)</u>	<u>(3)</u>
Net movement in shareholders' funds	(72)	(3)
Opening shareholders' funds	<u>72</u>	<u>75</u>
Closing shareholders' funds	<u>-</u>	<u>72</u>

10. Employees

The Company had no permanent employees during the year (2004: None).

11. Directors' Emoluments

The directors did not receive any remuneration in respect of their services as directors of the Company (2004: £Nil).