

**CREDIT SUISSE FIRST BOSTON EQUITIES**  
(Formerly known as CREDIT SUISSE FIRST BOSTON EQUITIES LIMITED)  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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# CREDIT SUISSE FIRST BOSTON EQUITIES

## BOARD OF DIRECTORS

Stuart C Eden	Director	(Appointed 12 December 07)
Costas P Michaelides	Director	
Kevin L Studd	Director	

## COMPANY SECRETARY

Paul E Hare

Company Registration Number 2278838

# CREDIT SUISSE FIRST BOSTON EQUITIES

## 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

### Activities and Business Review

During 2004 the Company transferred substantial trading activities in equities and equity derivatives products, and positions in relation to those activities, to Credit Suisse Securities (Europe) Limited (formerly known as Credit Suisse First Boston (Europe) Limited), a fellow subsidiary undertaking. The positions were transferred at fair market value. Following the transfer, the Company continued to trade in the cash equities business until 31 December 2005.

The Company applied to its regulator, the FSA, to cancel its Part IV Permission and this application was accepted with effect from 15 December 2006.

### Results

The profit on ordinary activities after taxation for the year was £599,943 (2006 profit £955,552). A dividend of £3,999,109 was proposed and paid (£3,893,674 on 8 August 2007 and £105,435 on 22 August 2007 (2006 £20,000,000)).

### Going Concern

The Company has ceased trading as at 1 January 2006 and it is the Directors' intention to liquidate the Company in due course. 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 1. Changes in the directorate since 31 December 2006 and up to the date of this report are as follows:

#### Resignations

Christopher R. Carter	11 January 2007
Stuart C. Eden	11 January 2007
Kevin J. Burrowes	12 December 2007

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.

### Disclosure of Information to Auditors

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 auditors are 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 auditors are aware of that information.

# **CREDIT SUISSE FIRST BOSTON EQUITIES**

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

### **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

### **Capital reduction**

The Company made a capital reduction during the year, £14,999,998 paid on 27 August 2007 (2006. £Nil) to Credit Suisse Investment Holdings (UK), (formerly known as Credit Suisse First Boston (UK) Investment Holdings)

### **Donations**

No charitable donations were made during the year (2006 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 E. Hare  
Company Secretary

One Cabot Square  
London E14 4QJ

24 September 2008

## **CREDIT SUISSE FIRST BOSTON EQUITIES**

### **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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law, to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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

# CREDIT SUISSE FIRST BOSTON EQUITIES

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREDIT SUISSE FIRST BOSTON EQUITIES

- We have audited the financial statements of Credit Suisse First Boston Equities (the Company) for the year ended 31st December 2007 which comprise the Profit and Loss Account, the Balance Sheet, 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is 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 judgments 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2007 and of its profit 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  
24 September 2008

**CREDIT SUISSE FIRST BOSTON EQUITIES**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007**

**Discontinued Operations**

	Note	2007 £	2006 £
Operating income	2	612,544	1,285,000
Administrative expenses	3	(12,601)	(15,191)
<b>Profit on Ordinary Activities Before Taxation</b>		<u>599,943</u>	<u>1,269,809</u>
Tax (charge) on profit on ordinary activities	4	<u>-</u>	<u>(314,257)</u>
<b>Profit on Ordinary Activities After Taxation</b>		<u>599,943</u>	<u>955,552</u>
<b>Retained Profit for the financial year</b>		<u>599,943</u>	<u>955,552</u>

A statement of movements in reserves is given in Note 11

There were no other recognised gains or losses in the year

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

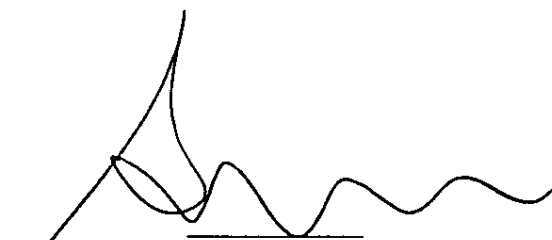
The notes on pages 8 to 15 form part of these Financial Statements

# CREDIT SUISSE FIRST BOSTON EQUITIES

## BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	2007 £	2006 £
Current Assets			
Debtors	7	2	17,727,676
Cash at bank		-	758,294
		-	18,485,970
Creditors Amounts falling due within one year			
Other creditors	8	-	(86,804)
		-	(86,804)
<b>Net Current Assets</b>		2	18,399,166
<b>Net Assets</b>		2	18,398,166
Capital and Reserves			
Called up share capital	9	2	15,000,000
Profit and loss account	10	-	3,399,166
<b>Total Shareholders' Funds</b>	11	2	18,399,166

Approved by the Board of Directors on 24 September 2008 and signed on its behalf by



Stuart C. Eden  
Director

The notes on pages 8 to 15 form part of these Financial Statements



# CREDIT SUISSE FIRST BOSTON EQUITIES

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

### 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 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 trading gains and losses, gains and losses on mark to market of positions, interest, dividends and commissions
- (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 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
- (e) Investments in subsidiary undertakings are carried at cost except where they are subject to a permanent diminution in value
- (f) Dividends are recognised as a liability in the period in which they are declared
- (g) The Company did not trade in 2007 and so have not applied FRS26 "Financial Instruments Measurement"
- (h) Netting has been applied where allowed under UK GAAP and where agreements are in place which contain clauses that allow netting
- (i) 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

# CREDIT SUISSE FIRST BOSTON EQUITIES

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

### 1 Accounting Policies (continued)

- (j) 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.
- (k) Financial investments are valued at cost less provision for any permanent diminution in value.
- (l) 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.

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.

- (m) Advisory fee income is recognised upon the successful completion of a transaction. Fee income arising from primary capital market business is recognised on allotment date.
- (n) Interest income and expense are accounted for on an accruals basis and dividend income and expense are accounted for on an ex-div basis.
- (o) The Company adopted FRS 17 Retirement Benefits in 2004. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period in accordance with the advice of the independent actuaries. The Company is unable to identify its share of the underlying assets and liabilities within the fund. In accordance with the exemption for multi-employer schemes granted in FRS 17, Retirement Benefits, the defined benefit scheme is accounted for as if the scheme was a defined contribution scheme.
- (p) 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 EQUITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**2. Operating Income**

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

	2007 £	2006 £
a Interest payable		
On loans, bonds and overdrafts wholly repayable within 5 years	566	50,294
On amounts owed to parent and fellow subsidiary undertakings	-	34,566
	<u>566</u>	<u>84,860</u>
b Interest receivable		
On loans and bonds wholly repayable within 5 years	(597,083)	(1,380,164)
On amounts owed by parent and fellow subsidiary undertakings	(38,102)	(74,949)
	<u>(635,185)</u>	<u>(1,455,113)</u>

**3. Administrative expenses**

As the Directors' intend to liquidate the Company in the next twelve months, the audit fees for 2007 of £4,500 (2006 £25,000) is borne by the parent company

	2007 £	2006 £
Audit of these financial statements	4,500	25,000

# CREDIT SUISSE FIRST BOSTON EQUITIES

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

### 4 Tax Charge on (Loss)/Profit on Ordinary Activities

	2007 £	2006 £
<b>a Current tax</b>		
UK corporation tax on profits of the period at 30% (2006 - 30%)	-	-
Total current tax (note 4 b )	-	-
<b>Deferred Tax</b>		
Origination and reversal of timing differences	-	(207,409)
Adjustments in respect of previous periods	-	(106,848)
Total deferred tax	-	(314,257)
Tax on profit on ordinary activities	-	(314,257)
<b>b Factors affecting the tax (charge) / credit for the period</b>		
The tax charged for the period is lower (2006 lower) than the standard rate of corporation tax in the UK (30%) The differences are explained below		
	2007 £	2006 £
Profit on ordinary activities before tax	599,943	1,269,810
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	(179,983)	(380,943)
Effects of:		
Group relief (surrendered)/claimed for nil consideration	187,164	173,534
Permanent differences	(7,181)	-
Other short term timing differences	-	207,409
Current tax charge for the period	-	-

**CREDIT SUISSE FIRST BOSTON EQUITIES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

**c Provision for deferred tax**

The components of the deferred tax asset are set out below

	2007 £	2006 £
Other short term timing differences	-	-
Total deferred tax asset	-	-
Deferred tax asset at beginning of the period	-	314,257
Deferred tax charge in the profit & loss account for current period	-	(207,409)
Deferred tax charge in the profit & loss account for prior periods	-	(106,848)
Deferred tax asset at end of the period	-	-

**5. Dividends**

	2007 £	2006 £
Dividend Paid	3,999,109	20,000,000
	3,999,109	20,000,000

# CREDIT SUISSE FIRST BOSTON EQUITIES

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

### 6. Subsidiaries, Parent and Ultimate Holding Company

Under the Companies Act 1985 the Company is exempt from preparing consolidated accounts as the Company is owned 50% by Credit Suisse Investment Holdings (UK) (formerly known as Credit Suisse First Boston (UK) Investment Holdings) and 50% by Credit Suisse Investments (UK) (formerly known as Credit Suisse First Boston (UK) Investments) which prepares consolidated accounts. The ultimate holding company is Credit Suisse Group, which is incorporated in Switzerland.

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

### 7. Debtors

	2007 £	2006 £
Counterparty debtors	2	17,700,000
Prepayments and accrued income	-	27,676
	<u>2</u>	<u>17,727,676</u>

# CREDIT SUISSE FIRST BOSTON EQUITIES

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

### 8 Other Creditors

	2007 £	2006 £
Loans, bank loans and overdrafts	-	86,804
	<u>-</u>	<u>86,804</u>

### 9 Called Up Share Capital

	2007 £	2006 £
Authorised Equity 2 ordinary shares at £1 each (2006 20,000,000 ordinary shares of £1 each)	2	20,000,000
	<u>2</u>	<u>20,000,000</u>
Allotted, called up and fully paid Equity 2 ordinary shares at £1 each (2006 15,000,000 shares at £1 each)	2	15,000,000
	<u>2</u>	<u>15,000,000</u>

The holders of ordinary shares carry voting rights and the right to receive dividends

### 10 Reserves

	Profit And Loss Account £
1 January 2007	3,399,163
Profit for the year	599,943
Dividends paid	<u>(3,999,109)</u>
31 December 2007	<u>-</u>

# CREDIT SUISSE FIRST BOSTON EQUITIES

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

### 11. Movement in Shareholders' Funds

	2007 £	2006 £
Profit for the financial year	599,943	955,552
Dividends paid	(3,999,109)	(20,000,000)
Net movement in shareholders' funds	(3,399,166)	(19,044,448)
Opening shareholders' funds	18,399,166	37,443,614
	<u>15,000,000</u>	<u>18,399,166</u>
Shareholder reductions	14,999,998	-
Closing shareholders' funds	<u>2</u>	<u>18,399,166</u>

### 12 Employees

The Company has no employees during the year (2006 Nil) The Company receives a range of administrative services from related companies within the Credit Suisse Group

### 13. Directors' Emoluments

The directors and key management personnel did not receive any remuneration in respect of their services for the Company (2006 US\$Nil)