

DLJ Group
Annual report
For the year ended 31 December 2015

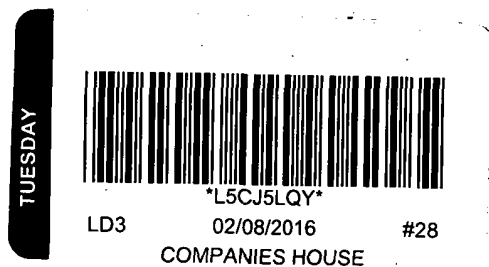


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BOARD OF DIRECTORS

David Long	Director
Lawrence Fletcher	Director
Paul E. Hare	Director

COMPANY SECRETARY

Paul E. Hare	Secretary
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Strategic Report for the year ended 31 December 2015

The Directors present their Annual Report and the Financial Statements for the year ended 31 December 2015.

Business Profile

DLJ Group (the "Company") is an unlimited company, domiciled in the United Kingdom. Its shareholders are DLJ International Group Limited, Credit Suisse Shimada Investments (Gibraltar) and DLJ UK Holding.

The ultimate holding company is Credit Suisse Group AG, which is incorporated in Switzerland, specialising in Investment Banking and Wealth Management.

Principal activities

The Company was established for the purpose of holding of investments. The principal source of income is interest on money market deposits held by the Company with Group companies.

Business review

The Company holds interest bearing deposits with Credit Suisse International and Credit Suisse AG, London Branch. There has been no significant change in the Company's principal activities compared to previous years. There are no significant developments or factors which will have a major impact on the continued success or operation of the business in the future.

Performance

The performance of the Company is explained through the key movements in its Statement of Income and Statement of Financial Position.

Statement of Income

For the year ended 31 December 2015, the Company reported a loss of US\$('000) 506 (2014: Profit of US\$('000) 2,865). The variation is mainly on account of the tax expenses this year.

Statement of Financial Position

As at 31 December 2015, the Company has total assets of US\$('000) 2,541,282 (2014: US\$('000) 2,540,745).

As at 31 December 2015, the Company has equity of US\$('000) 2,540,202 (2014: US\$('000) 2,540,708).

Key performance indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The assets of the Company mainly comprise of cash and cash equivalents and interest bearing deposits held with group companies. The Company is not exposed to any significant risks and uncertainties. The Company's financial risk management policies are outlined in note 17 to the Financial Statements.

Approved by the Board of Directors on 26 July 2016 and signed on its behalf by:



Paul E. Hare
Company Secretary

One Cabot Square
London E14 4QJ
26 July 2016

Directors' Report for the year ended 31 December 2015

The Directors present the Directors' report and the Financial Statements for the year ended 31 December 2015.

International Financial Reporting Standards

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The Financial Statements were approved and authorised for issue by the Directors on 26 July 2016.

Going concern

The Financial Statements have been prepared on a going concern basis.

Share capital

No additional share capital was issued by the Company during the year (2014: US\$ nil).

Dividends

No dividends were paid or are proposed for the year ended 31 December 2015 (2014: US\$ nil).

Directors

The names of the Directors as at the date of this report are set out on page 3. There has been no change in the Directorate since 31 December 2014, and up to the date of this report.

All Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. None of the Directors who held office at the end of the financial year were beneficially interested, at any time during the year, in the shares of the Company.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 law.

Under Company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss and other comprehensive income 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 judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS 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 confirm to the best of their knowledge:

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company with a description of the principal risks and uncertainties faced.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

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 relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, KPMG LLP continues in office as the Company's auditor.

Exemption for group accounts

Pursuant to section 401 of the Companies Act 2006, the Company is exempt from preparing and delivering group Financial Statements, as the Company is a wholly owned indirect subsidiary of Credit Suisse AG, incorporated in Switzerland, which prepares consolidated Financial Statements.

Subsequent events

In the UK budget announcement of 16 March 2016, the UK government announced its intention to further reduce the UK corporation tax rate to 17% with effect from 1 April 2020. This tax rate reduction is expected to be substantively enacted in 2016.

There are no other material subsequent events that require disclosure in, or adjustment to, the Financial Statements as at the date of this report.

Approved by the Board of Directors on 26 July 2016 and signed on its behalf by:



David Long
Director

One Cabot Square
London E14 4QJ
26 July 2016

Company Registration Number: 02479336

Independent Auditor's Report to the Members of DLJ Group

We have audited the Financial Statements of DLJ Group for the year ended 31 December 2015 which comprise the Statement of Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages 6 - 7, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

A description of the scope of an audit of Financial Statements is provided on the web-site of the Financial Reporting Council at www.frc.org.uk/auditscopeukprivate.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Alexander Snook
(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada square
London
United Kingdom
E14 5GL
26 July 2016

Statement of Income for the year ended 31 December 2015

	Note	2015 US\$'000	2014 US\$'000
Interest income	3	4,857	3,909
Operating income		4,857	3,909
Other income	4	6	2
Administrative expenses	5	(651)	(9)
Profit before tax		4,212	3,902
Income tax charge	6	(4,718)	(1,037)
(Loss)/ profit for the year		(506)	2,865

Loss for 2015 and profit for 2014 are from continuing operations.

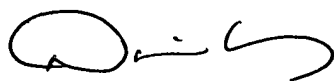
The notes on pages 13 to 27 form an integral part of these Financial Statements.

Statement of Financial Position as at 31 December 2015

	Note	2015 US\$'000	2014 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	119,222	118,557
Other assets	8	97	40
Total current assets		119,319	118,597
Non-current assets			
Investment in subsidiary	9	-	-
Interest-bearing deposits	10	2,388,514	2,383,981
Deferred tax asset	6	33,449	38,167
Total non-current assets		2,421,963	2,422,148
Total assets		2,541,282	2,540,745
LIABILITIES			
Current liabilities			
Borrowings	11	430	30
Other accruals	12	650	7
Total current liabilities		1,080	37
Total liabilities		1,080	37
SHAREHOLDERS' EQUITY			
Share capital	13	2,745,588	2,745,588
Share premium		176	176
Other reserves		6	6
Accumulated losses		(205,568)	(205,062)
Total shareholders' equity		2,540,202	2,540,708
Total liabilities and shareholders' equity		2,541,282	2,540,745

The notes on pages 13 to 27 form an integral part of these Financial Statements.

Approved by the Board of Directors on 26 July 2016 and signed on its behalf by:



David Long
Director

Statement of Changes in Equity for the year ended 31 December 2015

	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance at 1 January 2015	2,745,588	176	6	(205,062)	2,540,708
Loss for the year	-	-	-	(506)	(506)
Balance at 31 December 2015	2,745,588	176	6	(205,568)	2,540,202

	Share capital US\$'000	Share premium US\$'000	Other reserves US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance at 1 January 2014	2,745,588	176	6	(207,927)	2,537,843
Profit for the year	-	-	-	2,865	2,865
Balance at 31 December 2014	2,745,588	176	6	(205,062)	2,540,708

The notes on pages 13 to 27 form an integral part of these Financial Statements.

Statement of Cash Flows for the year ended 31 December 2015

	Note	2015 US\$'000	2014 US\$'000
Operating activities			
Profit before tax		4,212	3,902
Adjustments to reconcile net income to net cash generated from operating activities			
Non-cash items included in profit before tax and other adjustments:			
Interest income		(4,857)	(3,909)
Foreign exchange gain		(6)	(2)
Operating loss before working capital changes		(651)	(9)
Net movement in operating assets/ liabilities:			
Loans and receivables		(4,533)	(3,749)
Borrowings		400	(3)
Other accruals		643	1
Interest received		4,800	3,930
Net cash flow generated from operating activities		659	170
Net increase in cash and cash equivalents		659	170
Cash and cash equivalents at beginning of year		118,557	118,385
Effects of exchange rate changes on the balance of cash held in foreign currency		6	2
Cash and cash equivalents at end of year	7	119,222	118,557

The notes on pages 13 to 27 form an integral part of these Financial Statements.

Notes to the Financial Statements for the year ended 31 December 2015

1. General

DLJ Group (the "Company") is a Company domiciled in the United Kingdom. The Company's registered office is at One Cabot Square, London, E14 4QJ. The Company's activities comprise the holding of investments. The principal source of income is interest on money market deposits held by the Company.

2. Significant accounting policies

a) Statement of compliance

The Financial Statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards as adopted by the European Union ("EU") and in compliance with Companies Act 2006.

The Financial Statements were approved and authorised for issue by the Directors on 26 July 2016.

Pursuant to section 401 of the Companies Act 2006, the Company is exempt from preparing and delivering group Financial Statements as the Company is a wholly owned indirect subsidiary of Credit Suisse Group AG, incorporated in Switzerland, which prepares consolidated Financial Statements.

b) Basis of preparation

The Financial Statements are presented in United States Dollars (US\$) which is the Company's functional currency and have been rounded to the nearest thousand, unless otherwise stated. They are prepared on historical cost basis.

The preparation of Financial Statements in conformity with IFRSs as adopted by the EU 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. Critical accounting estimates and judgements applied to these Financial Statements are set out in Note 2(j), Critical accounting estimates and judgements in applying accounting policies.

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. Management believes that the estimates and assumptions used in the preparation of the Financial Statements are reasonable and consistently applied.

Standards and Interpretations effective in the current period

The Company has adopted the following amendments in the current year

- Annual Improvements to IFRSs 2011-2013 Cycle: In December 2013, the IASB issued 'Annual Improvements to IFRSs Cycle 2011-2013' (Improvements to IFRSs 2011-2013), which contain numerous amendments to IFRS that the IASB considers non-urgent but necessary. The adoption of the Improvements to IFRSs 2011-2013 on 1 January 2015 did not have a material impact on the Company's financial position, results of operation or cash flows.
- Annual Improvements to IFRSs 2010-2012 Cycle: In December 2013, the IASB issued 'Annual Improvements to IFRSs Cycle 2010-2012' (Improvements to IFRSs 2010-2012). The adoption of the Improvements to IFRSs 2010-2012 on 1 January 2015 did not have a material impact on the Company's financial position, results of operation or cash flows.

Notes to the Financial Statements for the year ended 31 December 2015

Standard and Interpretation endorsed by the EU and not yet effective

The Company is not yet required to adopt the following standards and interpretations which are issued by the IASB but not yet effective.

- Annual Improvements to IFRSs 2012-2014 Cycle: In September 2014, the IASB issued 'Annual Improvements to IFRSs 2012-2014 cycle' (Improvements to IFRSs 2012-2014). The adoption of the Improvements to IFRSs 2012-2014 on 1 January 2016, is not expected to have a material impact on the Company's financial position, results of operation or cash flows.
- Disclosure Initiative (Amendments to IAS 1): In December 2014, the IASB issued Amendments to IAS 1 as part of their Disclosure Initiative. The Amendments clarify guidance regarding materiality, notes to the Financial Statements and the presentation of the Statement of Financial Position and Statement of Income. The Amendments will allow entities to use more judgement when preparing and presenting Financial Statements. As the Amendments to IAS 1 impact disclosures only, the adoption is not expected to have a material impact to the Company's financial position, results of operation or cash flows.

Standards and Interpretations not endorsed by the EU and not yet effective

The Company is not yet required to adopt the following standards and interpretations which are issued by the IASB but not yet effective and have not yet been endorsed by the EU.

- IFRS 9 Financial Instruments: In November 2009 the IASB issued IFRS 9 'Financial Instruments' (IFRS 9) covering the classification and measurement of financial assets which introduces new requirements for classifying and measuring financial assets. In October 2010, the IASB reissued IFRS 9, which incorporated new requirements on the accounting for financial liabilities. In July 2014, the IASB issued IFRS 9 as a complete standard. The standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. The Company is currently evaluating the impact of adopting IFRS 9.
- Disclosure Initiative (Amendments to IAS 7): In January 2016, the IASB issued amendments to IAS 7 as part of their Disclosure Initiative. The Amendments require enhanced disclosures regarding changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The Amendments are effective for annual periods beginning on or after 1 January 2017. The Company is currently evaluating the impact of adopting the Amendments to IAS 7.
- Amendments to IAS 12: Income Taxes: In January 2016, the IASB issued 'Recognition of Deferred Tax Assets for Unrealised Losses' (Amendments to IAS 12). The Amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The Amendments to IAS 12 are effective for annual periods beginning on or after 1 January 2017, with retrospective application required. The Company is currently evaluating the impact of adopting the Amendments to IAS 12.

Except for the above changes, the accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

c) Foreign currency

The functional currency of the Company is United States Dollar (US\$). Transactions denominated in currencies other than the functional currency of the Company are recorded by remeasuring to the functional currency of the Company at the exchange rate on the date of the transaction. At the reporting date, monetary assets and liabilities such as receivables and payables are reported using the spot exchange rates applicable at that date. Non-monetary assets and liabilities denominated in foreign currencies at reporting date are not revalued for movements in foreign exchange rates. Foreign exchange differences arising from re-measurement are recognised in the Statement of Income.

Notes to the Financial Statements for the year ended 31 December 2015

d) Interest income

Interest income is recognised on an accrual basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

Interest income includes interest on deposits and cash balances held with group companies.

e) Income tax and deferred tax

Income tax recognised in the Statement of Income for the year comprises current and deferred tax. Income tax is recognised in the Statement of Income 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 Statement of Income, the related income tax initially recognised in equity is also subsequently recognised in the Statement of Income.

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 year. Current tax is calculated using tax rates enacted or substantively enacted at the reporting date.

For UK corporation tax purposes the Company may surrender or claim certain losses from another UK group company. The surrendering company will be compensated in full for the tax losses surrendered to the claimant company.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax-base. 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 on the Statement of Financial Position, using tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the Statement of Financial Position date.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Tax assets and liabilities of the same type (current or deferred) are offset when they arise from the same tax reporting group, they relate to the same tax authority, the legal rights to offset exists, and they are intended to be settled net or realised simultaneously. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay related dividend arises.

Information as to the calculation of income tax on the profit and loss for the periods presented is included in note 6 – Income tax charge.

f) Investment in subsidiary

A subsidiary is an entity controlled by the Company. Control exists when all the following conditions are met:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

Notes to the Financial Statements for the year ended 31 December 2015

When the Company has decision making rights, it assesses whether it controls an entity and determines whether it is a principal or an agent. The Company also determines whether another entity with decision-making rights is acting as an agent for the Company. An agent is a party primarily engaged to act on behalf and for the benefit of another party (the principal) and therefore does not control the entity when it exercises its decision-making authority. A decision maker considers the overall relationship between itself and other parties involved with the entity, in particular all of the factors below, in determining whether it is an agent:

- The scope of its decision making authority over the entity;
- The rights held by other parties;
- The remuneration to which it is entitled; and
- The decision maker's exposure to variability of returns from other interests that it holds in the entity.

The Company makes significant judgements and assumptions when determining if it has control of another entity. The Company may control an entity even though it holds less than half of the voting rights of that entity, for example if the Company has control over an entity on a de facto basis because the remaining voting rights are widely dispersed and/or there is no indication that other shareholders exercise their votes collectively.

Conversely, the Company may not control an entity even though it holds more than half of the voting rights of that entity, for example where the Company holds more than half of the voting power of an entity but does not control it, as it has no right to variable returns from the entity and is not able to use its power over the entity to affect those returns.

Investment in subsidiaries is carried at cost and is reviewed for impairment on each reporting date to determine whether there is any indication that the carrying amount may not be recoverable. If such an indication exists, the carrying amount of the investment is written down to its recoverable amount (i.e. the higher of the fair value less costs to sell and the value in use).

Any charges relating to the impairment of investment in subsidiary is recognised in the Statement of Income in the period in which the impairment occurs. When investment is disposed, the profit or loss resulting from the disposal is recognised in the Statement of Income.

Impairment of investment in subsidiaries

Significant judgement is required in determining the expected recoverable amount in reviewing for impairment. The Directors consider net asset value to be an appropriate basis in determining the recoverable amount of the investment in subsidiaries.

g) Financial instruments – Recognition and derecognition

The Company recognises financial assets and liabilities on its Statement of Financial Position when it becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets/financial liabilities are recognised/derecognised using settlement date accounting.

Notes to the Financial Statements for the year ended 31 December 2015

h) Financial assets

Interest bearing deposits

Interest bearing deposits comprise short-term and long-term deposits and interest accrued thereon, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to the initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

For the purpose of preparation and presentation of the statement of cash flows, cash and cash equivalents are defined as short-term, highly liquid instruments with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value and that are held for cash management purposes.

i) Financial liabilities

Financial liabilities comprises of other liabilities including short term borrowings. These liabilities are initially recognised at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

j) 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.

Income taxes - deferred tax valuation

Deferred tax assets and deferred tax liabilities are recognised for the estimated future tax effects of operating loss carry-forwards and temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases at the Statement of Financial Position date. The realisation of deferred tax assets on temporary differences is dependent upon the generation of taxable income in future accounting periods after those temporary differences become deductible. The realization of deferred tax assets on net operating losses is dependent upon the generation of future taxable income. Management regularly evaluates whether deferred tax assets can be realised. Only if management considers it probable that a deferred tax asset will be realised is a corresponding deferred tax assets established without impairment.

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.

Fair value

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of the financial instruments is based on quoted prices in active markets or observable inputs. For all financial instruments which are carried at amortised cost, the determination of fair value requires subjective assessment and judgement depending on liquidity, pricing assumptions, the current economic and competitive environment and the risks affecting the specific instrument. In such circumstances, valuation is determined based on management's own judgements about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

Notes to the Financial Statements for the year ended 31 December 2015

3. Interest income

	2015 US\$'000	2014 US\$'000
Interest on money market deposits	4,857	3,909
Total	4,857	3,909

The interest income represents interest earned on the deposits with Credit Suisse International and Credit Suisse AG, London Branch.

4. Other income

	2015 US\$'000	2014 US\$'000
Foreign exchange gain	6	2
Total	6	2

5. Administrative expenses

	2015 US\$'000	2014 US\$'000
Auditor's remuneration in relation to statutory audit	(6)	(7)
UK bank levy	(644)	-
Other expenses	(1)	(2)
Total	(651)	(9)

6. Income tax charge

a) Components of tax charge

	2015 US\$'000	2014 US\$'000
Deferred tax		
Utilisation of losses brought forward	(983)	(839)
Effect of change in tax rate	(3,735)	(198)
Total deferred tax	(4,718)	(1,037)
Income tax charge	(4,718)	(1,037)

b) An explanation of the relationship between tax expense and the accounting profit

The income tax for the year can be reconciled to the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%) as follows:

	2015 US\$'000	2014 US\$'000
Profit before tax	4,212	3,902
Profit before tax multiplied by the UK statutory rate of corporation tax of 20.25% (2014: 21.49%)	(853)	(839)
Non-deductible expense	(130)	-
Effect of change in tax rate	(3,735)	(198)
Income tax charge	(4,718)	(1,037)

Notes to the Financial Statements for the year ended 31 December 2015

c) Deferred tax

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 18% (2014: 20%).

	2015 US\$'000	2014 US\$'000
Deferred tax assets	33,449	38,167
The movement for the year on the deferred tax position was as follows:		
At beginning of year	38,167	39,204
Charge to income for the year	(983)	(839)
Effect of change in tax rate expensed to Statement of Income	(3,735)	(198)
At end of year	33,449	38,167

Deferred tax assets are attributable to the following items:

	2015 US\$'000	2014 US\$'000
Tax losses	33,449	38,167

The Company has estimated tax losses US\$('000) 185,829 (2014: US\$('000) 190,687) as at 31 December 2015 to carry forward against future taxable income and these have no expiry date. The benefit for these tax loss carry forwards is recognised in full as the company expects future taxable income will be available against which the unused tax losses will be utilised.

The Company also has capital losses of US\$('000) 2,704 (2014: US\$('000) 2,836) to carry forward against future chargeable gains and these have no expiry date. The benefit of the capital losses has not been recognised in these Financial Statements due to the uncertainty of their recoverability.

The Finance Act 2013, which passed into law on 17 July 2013, included further rate reductions in the UK corporation tax rate from 23% to 21% with effect from 1 April 2014 and 21% to 20% with effect from 1 April 2015.

The Finance (No. 2) Act 2015, which passed into law on 18 November 2015, included further rate reductions in the UK corporation tax rate from 20% to 19% with effect from 1 April 2017 and 19% to 18% with effect from 1 April 2020. The reduction in the UK corporation tax rate from 20% to 18% resulted in a charge to the Statement of Income of US\$('000) 3,735 (2014: US\$('000) 198).

7. Cash and cash equivalents

	2015 US\$'000	2014 US\$'000
Cash at bank	414	57
Short term money market deposits	118,808	118,500
Total	119,222	118,557

Cash and cash equivalents represent nostro accounts held with Credit Suisse AG, Zurich and short-term money market deposits held with Credit Suisse AG, London Branch. All the bank accounts are repayable on demand. The effective interest rate on money market deposits as at 31 December 2015 was 0.20% (31 December 2014: 0.20%); with an average maturity of 71 days (2014: 71 days).

8. Other assets

	2015 US\$'000	2014 US\$'000
Interest accrued on money market deposits	97	40
Total	97	40

Notes to the Financial Statements for the year ended 31 December 2015

9. Investment in subsidiary

The Company had the following UK incorporated subsidiary as of 31 December 2015 and 2014:

	Activity	Portion of ordinary shares held %	Total issued capital US\$
DLJ Investment Partner II Limited	Investment	100	3

Due to the minimal value and rounded presentation, the amount of investment is not reflected on the face of Statement of Financial Position.

Pursuant to section 401 of the Companies Act 2006, the Company is exempt from preparing and delivering group financial statements as the Company is a wholly owned indirect subsidiary of Credit Suisse AG, incorporated in Switzerland, which prepares consolidated financial statements.

10. Interest-bearing deposits

	2015 US\$'000	2014 US\$'000
Money market deposits	2,388,514	2,383,981
Total	2,388,514	2,383,981

The money market deposits are held with Credit Suisse International and are due to mature on 27 February 2018. The interest rate, which is linked to LIBOR rate, is reset every month. The effective interest rate on money market deposits as at 31 December 2015 was 0.19% (2014: 0.17%) with an average interest period of 28 days (2014: 28 days).

11. Borrowings

	2015 US\$'000	2014 US\$'000
Short term borrowings	430	30
Total	430	30

Short term borrowings are from Credit Suisse AG, London Branch. The effective interest rate on loan as at 31 December 2015 was 0.25% (31 December 2014: 0.50%) with an average interest reset period of 30 days (2014: 30 days).

12. Other accruals

	2015 US\$'000	2014 US\$'000
UK bank levy payable	436	-
Intercompany payable	201	-
Audit fees payable	13	7
Total	650	7

Notes to the Financial Statements for the year ended 31 December 2015

13. Share capital

	2015	2014
	US\$	US\$
Authorised:		
Ordinary Shares		
1,353,322 ordinary shares of GBP 0.10 each	218,115	218,115
100,000,000 ordinary A shares of US\$ 1.00 each	100,000,000	100,000,000
2,700,000,000 ordinary B shares of US\$ 1.00 each	2,700,000,000	2,700,000,000
Total	2,800,218,115	2,800,218,115
Allotted, called up and paid up:	2015	2014
	US\$	US\$
Ordinary Shares		
580,623 ordinary shares of GBP 0.10 paid up to GBP 0.001 each	936	936
90,000,000 ordinary A shares of US\$ 1.00 paid up to US\$ 1.00 each	90,000,000	90,000,000
2,655,586,770 ordinary B shares of US\$ 1.00 paid up to US\$ 1.00 each	2,655,586,770	2,655,586,770
Total	2,745,587,706	2,745,587,706

GBP Ordinary shares and Ordinary A shares carry voting rights and the right to receive dividends are held by DLJ International Group Limited. Ordinary B shares, which carry right to receive dividends but don't carry any voting rights, are held by Credit Suisse Shimada Investments (Gibraltar) (458,058,924 shares of US\$ 1 each) and DLJ UK Holding (2,197,527,846 shares of US\$ 1 each).

No additional share capital was issued by the Company during the year (2014: US\$ nil).

Capital management

The Board's policy is to maintain an adequate capital base so as to enable smooth operation of the Company's activities.

The capital structure of the Company consists of equity attributable to equity holders of the Company comprising issued capital, reserves and accumulated losses.

The Company funds its operations and growth through equity. This includes assessing the need to raise additional equity where required.

The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year.

14. Related party transactions

The Company is domiciled in the United Kingdom. It is a subsidiary of DLJ International Group Limited incorporated in the United Kingdom. The ultimate holding company is Credit Suisse Group AG, which is incorporated in Switzerland.

Copies of group Financial Statements of Credit Suisse AG and Credit Suisse Group AG, 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 Credit Suisse Group AG, Paradeplatz 8, 8070 Zurich, Switzerland.

The Company is involved in 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 these transactions are on market terms that could be obtained from unrelated parties.

Notes to the Financial Statements for the year ended 31 December 2015

a) Related party assets and liabilities

	2015 Fellow group companies US\$'000	2014 Fellow group companies US\$'000
Non-current assets		
Interest-bearing deposits	2,388,514	2,383,981
Current assets		
Cash and cash equivalents	119,222	118,557
Other assets	97	40
Total	2,507,833	2,502,578
Current liabilities		
Borrowings	430	30
Other accruals	201	-
Total	631	30

b) Related party revenues

	2015 Fellow group companies US\$'000	2014 Fellow group companies US\$'000
Interest income	4,857	3,909
Total	4,857	3,909

c) Remuneration of Directors and Key Management Personnel

The Directors and Key Management Personnel did not receive any remuneration in respect of their services as Directors of the Company (2014: US\$ nil). The Directors and Key Management Personnel are employees of its related companies and the Company does not reimburse its related companies for the services rendered by these Directors and Key Management Personnel. 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 (2014: US\$ nil).

e) Liabilities due to pension funds

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

15. Employees

The Company had no employees during the year (2014: nil). The Company receives a range of administrative services from related companies within the Credit Suisse group. Credit Suisse group companies have borne the cost of these services.

16. Financial instruments

The disclosure of the Company's financial instruments below includes the following sections:

- Analysis of financial instruments by categories;
- Fair value measurement (including fair value hierarchy; qualitative and quantitative disclosures of valuation techniques and sensitivity analysis of unobservable input parameters);
- Fair value of financial instruments not carried at fair value.

'Fair value' is the price that would be received as a result of selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Notes to the Financial Statements for the year ended 31 December 2015

The fair value of financial assets and liabilities is impacted by factors such as contractual cash flows and observable inputs like the benchmark interest rates and foreign exchange rates. Unobservable inputs used are credit spreads which is a part of the risk-adjusted discount factors. Valuation adjustments are an integral part of the valuation process when market prices are not indicative of the credit quality of counterparty, and are applied to debt instruments. The impact of changes in a counterparty's credit spreads (known as credit valuation adjustments or CVA) is considered when measuring the fair value of assets and the impact of changes in the Company's own credit spreads (known as debit valuation adjustments or DVA) is considered when measuring the fair value of its liabilities. The adjustments also take into account contractual factors designed to reduce the Company's credit exposure to counterparty.

Quoted market prices, when available, are used as the measure of fair value. In cases where quoted market prices are not available, fair values are determined using present value estimates or other valuation techniques, for example, the present value of estimated expected future cash flows using discount rates commensurate with the risks involved. Fair value estimation techniques normally incorporate assumptions that market participants would use in their estimates of values, future revenues, and future expenses, including assumptions about interest rates, default, prepayment and volatility. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent market quotes and, in many cases, the estimated fair values would not necessarily be realised in an immediate sale or settlement of the instrument.

For cash and other liquid assets, the fair value is assumed to approximate book value, given the short term nature of these instruments. The information presented herein represents estimates of fair values of accrual accounted instruments as at the Statement of Financial Position date.

The financial instruments carried at fair value were categorized under the three levels of the IFRS fair value hierarchy as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

Financial instruments are measured on an on-going basis either at fair value or at amortised cost. The following table sets out the carrying amounts and fair value of the Company's financial instruments.

Notes to the Financial Statements for the year ended 31 December 2015

The levels in the fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured at fair value in the Statement of Financial Position are as follows:

	Carrying amount (US\$'000)		Fair Value (US\$'000)			
2015	Loans and receivables	Other amortized cost	Level 1	Level 2	Level 3	Total
Financial assets						
Interest-bearing deposits	2,388,514	-	-	2,380,402	-	2,380,402
Cash and cash equivalents	-	119,222	119,222	-	-	119,222
Other assets	97	-	-	97	-	97
Total	2,388,611	119,222	119,222	2,380,499	-	2,499,721
Financial liabilities						
Borrowings	430	-	-	430	-	430
Other accruals	-	201	-	201	-	201
Total	430	201	-	631	-	631
2014						
Financial assets						
Interest-bearing deposits	2,383,981	-	-	2,384,017	-	2,384,017
Cash and cash equivalents	-	118,557	118,557	-	-	118,557
Other assets	40	-	-	40	-	40
Total	2,384,021	118,557	118,557	2,384,057	-	2,502,614
Financial liabilities						
Borrowings	30	-	-	30	-	30
Other accruals	-	7	-	7	-	7
Total	30	7	-	37	-	37

17. Financial risk management

The Company's activities expose it to a variety of financial risks.

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

a) Market risk

Market risk is the risk of loss arising from adverse changes in interest rates, foreign currency exchange rates, equity prices, commodity prices and other relevant market parameters, such as market volatilities.

Notes to the Financial Statements for the year ended 31 December 2015

(i) Interest rate risk

The Company has interest bearing assets and liabilities, which are mainly in the form of Interest bearing deposits, interest-bearing deposits, cash and cash equivalents and short term borrowings. The interest rates on these instruments typically resets within 3 months which minimises the risk to changes in interest rates. As the Company's interest-bearing assets and liabilities are against group companies, 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.

The sensitivity analysis is prepared based on financial instruments that are recognised at the reporting dates. The sensitivity assumes changes in certain market conditions. These assumptions may differ materially from the actual events due to the inherent uncertainties in global financial markets. In practice, market risks rarely change in isolation and are likely to be interdependent. There is no change in the methods and assumptions used for both the reporting period and the comparative period.

Sensitivity analysis for changes in interest rate, which is given below, assume an instantaneous increase or decrease by 25% as at the reporting date, with all other variables remaining constant:

2015	US\$'000	
	25%	-25%
Change in equity and income/(loss) with interest rate fluctuation in interest-bearing deposits and cash and cash equivalents	1,207	(1,207)
Total	1,207	(1,207)
2014	US\$'000	
	25%	-25%
Change in equity and income/(loss) with interest rate fluctuation in interest-bearing deposits and cash and cash equivalents	1,060	(1,060)
Total	1,060	(1,060)

(ii) Foreign exchange risk

Foreign currency risk is the risk that the value of monetary assets / liabilities will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to foreign exchange risk arising from GBP exposures.

The Company had the following assets and liabilities denominated in currencies other than USD:

	2015 GBP'000	2014 GBP'000
Monetary assets		
Cash and cash equivalents	76	6
Total	76	6
Monetary liabilities		
Borrowings	20	20
Other accruals	9	4
Total	29	24
Net exposure	47	(18)

Since the Company has minimum foreign exchange risk, sensitivity analysis has not been performed for changes in foreign exchange rates.

Notes to the Financial Statements for the year ended 31 December 2015

b) Credit risk

Credit risk is the possibility of a loss being incurred by the Company as the result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counterparty. The Company is exposed to credit risk from other Credit Suisse group companies. Transactions are limited to fellow group companies and high-credit-quality financial institutions. The carrying value of amounts due from related companies represents the maximum credit exposure of the Company to counterparties. The Company has policies that limit the amount of credit exposure to any financial institution.

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

Counterparty Exposure by Rating:

	Banks	
	2015 US\$'000	2014 US\$'000
- A+ to A-	2,507,833	2,502,578
Total	2,507,833	2,502,578

For the entities which are not individually rated, ratings have been derived using the Credit Suisse AG rating.

c) Liquidity risk

Liquidity risk is the risk that a Company is unable to fund assets and meet obligations as they fall due under both normal and stressed market conditions.

Liquidity, as with funding, capital and foreign exchange exposures, is centrally managed by Treasury. The liquidity and funding profile of Credit Suisse AG ('CS') reflects the risk appetite, business activities, strategy, the markets and overall operating environment. CS liquidity and funding policy is designed to ensure that funding is available to meet all obligations in times of stress, whether caused by market events and/ or issues specific to CS. This approach enhances CS's ability to manage potential liquidity and funding risks and to promptly adjust the liquidity and funding levels to meet any stress situation.

The following table sets out details of the remaining contractual maturity for financial liabilities.

	Carrying Amount US\$'000	Gross Nominal Outflow US\$'000	On demand US\$'000	Due within 3 months US\$'000	Total US\$'000
2015					
Borrowings	430	430	-	430	430
Other accruals	214	214	214	-	214
Total	644	644	214	430	644
2014					
Borrowings	30	30	-	30	30
Other accruals	7	7	7	-	7
Total	37	37	7	30	37

d) Operational risk

Operational risk is the risk of financial loss arising from inadequate or failed internal processes, people or systems, or from external events. The Company is exposed to minimal operational risk.

Notes to the Financial Statements for the year ended 31 December 2015

18. Contingent liabilities

The Company guarantees liabilities under loan facility agreements amounting to US\$('000) 1,971,613 (2014: US\$('000) 1,967,871) of DLJ UK Investment Holdings Limited to Credit Suisse International and the deposit of the Company is held by and charged in favour of Credit Suisse International to secure these liabilities for the term of the deposit which is maturing on 27 February 2018 (2014: 27 February 2016). As at 31 December 2015 and 2014, the Company did not recognise any liability on this guarantee.

19. Subsequent events

In the UK budget announcement of 16 March 2016, the UK government announced its intention to further reduce the UK corporation tax rate to 17% with effect from 1 April 2020. This tax rate reduction is expected to be substantively enacted in 2016.

There are no other material subsequent events that require disclosure in, or adjustment to, the Financial Statements as at the date of this report.