

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

REPORT AND GROUP FINANCIAL STATEMENTS

31st December 2006



Registered number 3045295

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

DIRECTORS

L D HABER

R J PARKER

J M MIES

M D BURGESS

OFFICERS

P E HARE (Secretary)

Credit Suisse Asset Management (UK) Holding Limited
One Cabot Square, London E14 4QJ

Registered in England with number 3045295
Registered Office
One Cabot Square, London E14 4QJ

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and audited financial statements for the year ended 31st December 2006

ACTIVITIES

The principal activity of Credit Suisse Asset Management (UK) Holding Limited, "the Company", is that of a holding company. The Company's subsidiaries provide global investment management services for institutional and retail clients.

BUSINESS REVIEW

Group operating losses before Goodwill Amortisation for the year were £9.9 million (2005 - £6.4 million profit). Loss before taxation for the year of £16.3 million compared to a loss before taxation of £0.7 million for 2005.

Combined assets under management of the Company's subsidiaries were £44.6 billion at 31st December 2006 compared to £42.7 billion at 31st December 2005, an increase of £1.9 billion reflecting market appreciation.

These are the two key KPI's the Board monitors.

STRATEGY

The strategic goal of the Company is to focus on growing both our institutional and retail business in the UK and globally. We believe that we have significant growth opportunities in all areas of the business including more solutions oriented strategies for institutional clients and expanded product ranges in retail market. In addition we believe that clients continue to move towards greater total return / absolute style products as well as high quality long only fixed income and equity range.

RISKS

Key risks that the Company considers that it faces are outlined below.

Risk	Mitigating Actions
Loss of business	Investment performance is continually monitored as is the level of investment risk being taken to ensure it is appropriate to the particular product being offered.
Loss of key staff	Staff turnover is monitored within the Credit Suisse Asset Management Group. We consider compensation to be competitive and staff surveys are regularly carried out to determine levels of satisfaction and any improvements which could be made.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS AND DIRECTORS' INTERESTS

The following are the current Directors of the company or Directors who served during the year

L D Haber
R J Parker
M D Burgess (appointed 9th October 2006)
J M Mies (appointed 15th November 2006)
G Wellman (resigned 15th November 2006)

None of the Directors who served during the period had any interests (either beneficial or non-beneficial) in the shares of the Company. The Company has taken advantage of the exemption from the requirement of Statutory Instrument 1985/802 Section 3, whereby the interests of the Directors in the non-UK parent are not disclosed in the financial statements of the Company.

CHARITABLE DONATIONS

In the course of the year, the Company made charitable donations totalling £9,398 (2005 - £5,534)

POST BALANCE SHEET EVENT

As at 31st March 2007 Sun Life of Canada has given the Company twelve months notice that they have the right to withdraw their Assets under Management as required by the terms of the investment management agreement with them. This notification allows Sun Life of Canada maximum flexibility for a strategic review of the management and administration of their UK assets. The Company will be considered for retention of most asset classes and will continue to focus on strong investment performance. Due to the uncertainty of the impact on the Company from March 2008 it is not practical to make an estimate of the financial effects of this event at that time.

PROVISION 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.

AUDITORS

Pursuant to a shareholders resolution passed on 12th February 1996, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

CHANGE OF REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The registered office of the company changed on 16th January 2006 to One Cabot Square, London E14 4QJ. In August 2006 the principal place of business of this company and fellow subsidiaries transferred to One Cabot Square, London E14 4QJ.

Approved by the Board of Directors and signed on behalf of the Board


J M MIES
Director
26th April 2007

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

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 the Directors have elected to prepare the Financial Statements in accordance with UK Accounting Standards.

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 ASSET MANAGEMENT (UK) HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

We have audited the Group and parent Company financial statements (the "financial statements") of Credit Suisse Asset Management (UK) Holding Limited ("the Company") for the year ended 31 December 2006 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets 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 Group's and 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.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREDIT SUISSE ASSET
MANAGEMENT (UK) HOLDING LIMITED**

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 Group's and the parent Company's affairs as at 31st December 2006, and of the Group's loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB

26th April 2007

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31st December 2006

	Notes	2006 £000	2005 £000
Turnover	1	110,944	101,819
Administrative expenses	2	(123,260)	(97,660)
(Loss)/Profit from asset management business		<u>(12,316)</u>	<u>4,159</u>
Profit from insurance business	5	2,393	2,218
Amortisation of goodwill and other intangibles	7	(5,718)	(5,574)
Operating (Loss)/Profit		<u>(15,641)</u>	<u>803</u>
Interest receivable and other similar income		4,038	3,397
Interest payable	4	(4,726)	(4,926)
Loss on ordinary activities before taxation		<u>(16,329)</u>	<u>(726)</u>
Tax credit/(charge) on ordinary activities	6	1,204	(1,885)
Retained loss for year	17	<u><u>(15,125)</u></u>	<u><u>(2,611)</u></u>

There are no recognised gains or losses for the current financial year (2005 - Nil) other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses is given.

All amounts are derived from continuing operations.

The notes set out on pages 10 to 36 form an integral part of these financial statements.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

GROUP BALANCE SHEET
as at 31st December 2006

	Notes	2006 £000	2005 £000
Fixed assets			
Intangible assets	7	82,529	88,247
Tangible assets	8	2,242	1,858
		<u>84,771</u>	<u>90,105</u>
Current assets			
Assets held to cover linked liabilities	10	823,607	807,249
Stock		193	178
Debtors	11	60,909	62,048
Investments	12	10,249	10,007
Cash at bank		79,786	80,324
		<u>974,744</u>	<u>959,806</u>
Creditors: amounts falling due within one year	13	(181,666)	(173,250)
Net current assets		<u>793,078</u>	<u>786,556</u>
Total assets less current liabilities		877,849	876,661
Linked liabilities	10	(823,607)	(807,249)
Provisions for liabilities and charges	14	(5,664)	(5,709)
Net Assets		<u><u>48,578</u></u>	<u><u>63,703</u></u>
Capital and reserves			
Called up share capital	16	14,199	14,199
Share premium account	17	23,198	23,198
Capital reserve	17	68,838	68,838
Profit and loss account	17	(57,657)	(42,532)
Shareholders' funds (equity interests)	17	<u><u>48,578</u></u>	<u><u>63,703</u></u>

Approved by the Board of Directors and signed on behalf of the Board

R J PARKER
Director

26th April 2007



J M MIES
Director

26th April 2007



CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

COMPANY BALANCE SHEET
as at 31st December 2006

	Notes	2006 £000	2005 £000
Fixed assets			
Intangible assets	7	3,623	4,057
Tangible assets	8	2,242	1,858
Investments	9	182,031	182,031
		<u>187,896</u>	<u>187,946</u>
Current assets			
Debtors	11	37,581	48,672
Cash at bank		48,059	17,291
		<u>85,640</u>	<u>65,963</u>
Creditors: amounts falling due within one year	13	(165,516)	(141,349)
Net current liabilities		<u>(79,876)</u>	<u>(75,386)</u>
Total assets less current liabilities		108,020	112,560
Provisions for liabilities and charges	14	(5,664)	(5,709)
Net Assets		<u><u>102,356</u></u>	<u><u>106,851</u></u>
Capital and reserves			
Called up share capital	16	14,199	14,199
Share premium account	17	23,198	23,198
Capital reserve	17	68,000	68,000
Profit and loss account	17	(3,041)	1,454
Shareholders' funds (equity interests)	17	<u><u>102,356</u></u>	<u><u>106,851</u></u>

Approved by the Board of Directors and signed on behalf of the Board

R J PARKER
Director

26th April 2007



J M MIES
Director

26th April 2007



CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2006

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The accounts have been prepared under the historical cost convention, modified by compliance with the provisions of section 255 of, and schedule 9A to, the Companies Act 1985, relating to insurance companies. In implementing the provisions of section 255 of, and schedule 9A to, the Companies Act 1985, the Company has adopted a modified solvency basis for determining technical provisions. The impact of section 255 is that assets held to cover linked liabilities are recorded at market value.

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and the Company has followed the Statement of Recommended Practice (Accounting for Insurance Business) issued by the Association of British Insurers.

The group financial statements have been prepared in compliance with the provisions of Section 227 of, and Schedule 4 to, the Companies Act 1985, modified to include the profit and loss account and balance sheet formats for the Group's insurance subsidiary as set out in Schedule 9(A).

The balance sheet of the Company is prepared in accordance with the provisions of Section 228 of, and Schedule 4 to, the Companies Act 1985. As permitted by Section 230 of the Companies Act 1985, no profit and loss account of the Company is presented.

BASIS OF CONSOLIDATION

The financial statements of the Group incorporate the assets, liabilities and results of the Company and its subsidiary undertakings up to 31st December 2006. The acquisition method of accounting is adopted except for the acquisition of Credit Suisse Asset Management Funds (UK) Limited, which has been accounted for as a merger.

CASH FLOW STATEMENT

The company is a wholly owned subsidiary undertaking and is exempt under Financial Reporting Standard 1, 'Cash Flow Statements', from the requirement to prepare a cash flow statement.

TURNOVER

Turnover represents management and other fees, earned from the provision of asset management services and net dealing income from the sale of units in the range of unit trusts and OEICs marketed by the Company's subsidiaries.

Net dealing income/(expense) is defined as the gross initial charge receivable from investors into the Company's range of unit trusts and OEICs net of discounts and includes any box profits or losses arising on the short term holding of units.

Turnover also includes the recharge of the expenses incurred by Credit Suisse Asset Management (UK) Holding Limited on behalf of other entities within the Credit Suisse Group.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

1. ACCOUNTING POLICIES (continued)

TURNOVER (continued)

Turnover is accounted for on an accruals basis and the financial statements include estimates of sums receivable and payable where the actual amounts have not yet been determined

SEGMENTAL ANALYSIS

In the opinion of the Directors the Company has only one class of business and operates in a market which is not delineated by geographical bounds. The insurance company, Credit Suisse Pooled Pensions Limited, which is included within the consolidated results does not represent a separate class of business in the view of the Directors as its product range has normal asset management characteristics but with an insurance wrapper

TAXATION

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose related party transactions within the group on the grounds that more than 90% of the voting rights are controlled within the group and the consolidated financial statements of the ultimate parent company are publicly available

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions during the period were translated at the month end rates. Exchange differences are dealt with through the profit and loss account

INVESTMENT IN SUBSIDIARIES AND GOODWILL

In the Company's financial statements, investments in subsidiary undertakings are stated at the lower of cost or Directors' valuation. Goodwill acquired is capitalised at fair value, where this can be measured reliably

CURRENT ASSET INVESTMENTS

Investments are valued at the lower of cost and market value

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

1. ACCOUNTING POLICIES (continued)

ASSETS HELD TO COVER LINKED LIABILITIES

Investments held by Credit Suisse Pooled Pensions Limited are shown at Net Asset Value

The increase or decrease in the value of investments reflects net realised and unrealised gains or losses over market values at the start of the year or subsequent cost. Realised gains and losses reflect the difference between net sales proceeds and cost and an adjustment is made to unrealised gains and losses for the difference between cost and market value at the start of the year for those investments sold in the year.

INVESTMENT INCOME (in respect of the Insurance business)

Dividends and interest received from investments other than equity investments are credited to revenue on an accruals basis. On purchase or disposal of investments, adjustments are made in order that interest is taken to revenue for the period that the investment is held.

Dividends arising on equity investments are brought into account on the ex-dividend date.

Rents earned on properties held for investment are credited to revenue on an accruals basis.

Policyholder fund investment income, expenses and unrealised gains/losses are dealt with through the technical account. Shareholders' fund investment income, expenses and unrealised gains/losses are dealt with through the non-technical account.

PENSION COSTS

The Group has adopted FRS17 'Retirement Benefits'. Pension costs are recognised in the profit and loss account on a systematic basis over employees' service lives in accordance with the advice of independent qualified actuaries. The Group 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 FRS17, 'Retirement Benefits', the defined benefit scheme is accounted for as if the scheme was a defined contribution scheme.

TANGIBLE FIXED ASSETS

All tangible fixed assets are included at original cost less aggregate depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write down the cost of fixed assets to their estimated residual values by equal annual instalments over the period of their estimated useful lives, which is considered to be five years in respect of leasehold improvements and three years for all other tangible fixed assets. The capital payment in respect of the non-exclusive licence to use Beaufort House has been depreciated over five years.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

1. ACCOUNTING POLICIES (continued)

CAPITAL CONTRIBUTION

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.

TECHNICAL PROVISIONS FOR LINKED LIABILITIES

Technical provisions for linked liabilities represent the value of the underlying net assets which are held to meet those liabilities of Credit Suisse Pooled Pensions Limited.

PREMIUMS (insurance business)

Premium income is credited to revenue when it becomes due to Credit Suisse Pooled Pensions Limited.

CLAIMS (insurance business)

Claims are recognised when the policy or contract to which they relate ceases to participate in the investment linked funds of Credit Suisse Pooled Pensions Limited.

GOODWILL AND INTANGIBLE AMORTISATION

Goodwill on the acquisition of Credit Suisse Pooled Pensions Limited, Credit Suisse Asset Management (UK) Limited and Credit Suisse Asset Management Unit Manager Limited was capitalised and is subject to amortisation over 20 years, this being the useful economic life as decided by the directors. The carrying value is subject to an annual impairment review.

The Intangible arising on the purchase of the Retail Fund of Fund business from Artermis Investment Management Limited has been written off over 10 years since this represents the Directors best estimate as to the average length of the time that the clients obtained by this acquisition will remain.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

1 ACCOUNTING POLICIES (continued)

SHARE-BASED PAYMENTS

The Company has applied the requirements of FRS 20 'Share-based Payments' In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as at 1 January 2005, of which the corresponding expense was recorded in 2004

The Company grants shares in its ultimate parent company Credit Suisse Group, "CSG", to certain employees The Company purchases CSG shares from Credit Suisse Equity Based Compensation AG (Credit Suisse EBC), another CSG company, upon settlement and then transfers those shares to its employees

This arrangement has been classified as a cash-settled share-based payment due to the Company's obligation to settle the liability by the delivery of an asset that is not an equity instrument of the Company A liability equal to the portion of the services received is recognised at the current market value determined at each balance sheet date The expense for share-based payments is determined by treating each tranche as a separate grant of share awards unless the employee is eligible for early retirement or retirement before the end of the vesting period, in which case recognition of the expense would be accelerated over the shorter period

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

2 ADMINISTRATIVE EXPENSES

An average number of 381 people were employed by the Company and its subsidiaries during the year (2005 - 347) All were engaged in investment management or related activities

Administrative expenses include	2006 £000	2005 £000
Wages and salaries	57,632	40,487
Social security costs	9,514	4,730
Pension contributions	2,804	2,138
	<u>69,950</u>	<u>47,355</u>
Depreciation	1,498	915
Other operating charges	51,812	49,390
	<u>123,260</u>	<u>97,660</u>
Auditors remuneration		
Group - audit	133	133
- fees paid to the auditors in respect of other services	66	168
Company	15	15

EMPLOYMENT POLICY

The Company is an equal opportunities employer and opposes all unfair and unlawful discrimination against any person on any grounds including colour, sex, gender, sexual orientation, marital status, race, nationality, ethnic origin, age, creed and disability. The Company defines discrimination as treating a person less favourably than others are or would be treated in the same or similar circumstances. The Company takes all possible steps to make sure individuals are treated equally and fairly and that decisions on recruitment, treatment during employment, training, remuneration, promotion and career management and termination of employment are based solely on objective and job related-criteria.

The Company will take disciplinary action (this may include dismissal) against any employee who has deliberately victimised or discriminated against another contrary to the principles set out above. The Company ensures employees are kept informed of matters of concern to them via the use of the intranet and e-mail broadcasts. Staff are encouraged to share matters of concern to them. To encourage participation in the success of the company all staff are eligible for a bonus award, which factors in company as well as individual performance.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

3 DIRECTORS' EMOLUMENTS

	2006	2005
	£000	£000
Directors' emoluments	4,540	2,388
Amounts receivable under long term incentive schemes	4,647	634
Compensation for loss of office	264	-
	<u>9,451</u>	<u>3,022</u>
Company contributions to money purchase pension schemes	109	228
	<u>9,560</u>	<u>3,250</u>

Where directors perform services for a number of companies within the Credit Suisse Group, the total emoluments payable to each director have been apportioned to the respective entities

Included in amounts receivable under long term incentive schemes is £94,379 relating to cash schemes

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £3,756,743 (2005 - £832,884) He was a member of a money purchase pension scheme and the contribution paid during the year for the money purchase pension scheme was £3,150

During the year the highest paid director received an entitlement to shares under a long term incentive scheme

	Number of Directors	Number of Directors
	2006	2005
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	8	12
Defined benefit schemes	-	-
Both money purchase and defined benefit	5	-
	<u> </u>	<u> </u>
The number of directors who exercised share options	-	-
	<u> </u>	<u> </u>
Directors in respect of whose services shares were received or receivable under long term incentive schemes	12	10

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

4 INTEREST PAYABLE

Interest payable includes amounts payable to fellow subsidiary undertakings of £4,606,557 (2005 - £4,663,758)

5. OPERATING PROFIT ON INSURANCE BUSINESS

TECHNICAL ACCOUNT LONG TERM BUSINESS

	Notes	2006 £000	2005 £000
EARNED PREMIUMS			
Direct premiums written	A	125,100	73,751
Written and earned premiums	A & B	125,100	73,751
Investment income	C	67,493	73,946
TOTAL TECHNICAL INCOME		<u>192,593</u>	<u>147,697</u>
CLAIMS INCURRED			
Claims paid direct	D	(162,621)	(172,568)
Claims paid including reinsurance	D	(162,621)	(172,568)
CHANGE IN OTHER TECHNICAL PROVISIONS			
Technical provision for linked business		(16,358)	(9,473)
		<u>(16,358)</u>	<u>(9,473)</u>
OTHER CHARGES			
Net operating expenses	E	338	353
Investment expenses and charges	C	-	-
Unrealised (losses)/gains on investments	C	(11,559)	36,209
		<u>(11,221)</u>	<u>36,562</u>
TOTAL TECHNICAL CHARGES		<u>(190,200)</u>	<u>(145,479)</u>
BALANCE ON THE TECHNICAL ACCOUNT - LONG TERM BUSINESS		<u>2,393</u>	<u>2,218</u>

All amounts are derived from continuing activities

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

5. OPERATING PROFIT ON INSURANCE BUSINESS (continued)

A WRITTEN AND EARNED PREMIUMS

Gross premiums written

All premiums are received from pension contracts written in the UK in respect of continuing operations

	Direct	Reinsur-	Total	Direct	Reinsur-	Total
	2006	ance	2006	2005	ance	2005
	£000	2006	£000	£000	2005	£000
Pension Business						
Linked Single Premium	125,100	-	125,100	73,751	-	73,751
	<u>125,100</u>	<u>-</u>	<u>125,100</u>	<u>73,751</u>	<u>-</u>	<u>73,751</u>

Gross new annualised periodic premiums

The Group Pensions premiums of the Company are single premium contributions from client pension schemes

B REINSURANCE AGREEMENT

There were no reinsurance agreements during the year

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

5 OPERATING PROFIT ON INSURANCE BUSINESS (continued)

C INVESTMENT RETURN

	2006	2005
	£000	£000
Technical account		
Investment Income		
Income from listed investments	29,394	31,574
Income from land and buildings	1,803	2,096
Gains on the realisation of investments	35,949	40,049
Income from short term investments	347	227
	<u>67,493</u>	<u>73,946</u>
Losses on the realisation of investments	-	-
	<u>67,493</u>	<u>73,946</u>
Investment expenses and charges	-	-
Unrealised gains on investments	(11,559)	36,209
Net investment return included in the long term business technical account	<u><u>55,934</u></u>	<u><u>110,155</u></u>

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

5 OPERATING PROFIT ON INSURANCE BUSINESS (continued)

D CLAIMS INCURRED

	2006	2005
	£000	£000
Payments to policyholders and beneficiaries		
Surrender payments on direct business	162,621	172,568
Total	<u>162,621</u>	<u>172,568</u>

E NET OPERATING EXPENSES

	2006	2005
	£000	£000
Administrative expenses	338	353
	<u>338</u>	<u>353</u>

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

6 TAXATION

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

	2006	2005
	£000	£000
Current Tax		
Foreign tax	1,466	280
UK corporation tax on profits of the period	2,456	1,757
Adjustments in respect of prior periods	(44)	1,239
Total current tax	<u>3,878</u>	<u>3,276</u>
Deferred tax		
Origination and reversal of timing differences	(4,855)	506
Adjustments in respect of prior periods	(227)	(1,897)
Total deferred tax	<u>(5,082)</u>	<u>(1,391)</u>
Total (credit)/charge on profit on ordinary activities	<u><u>(1,204)</u></u>	<u><u>1,885</u></u>

b) Factors affecting the tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK, 30% (2005 30%). The differences are explained below

	2006	2005
	£000	£000
Loss on ordinary activities before taxation	<u>(16,329)</u>	<u>(726)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(4,899)	(218)
Effects of		
Effect of capital allowances for period in excess of depreciation	(228)	(222)
Permanent Differences	2,662	2,565
Transfer of capital allowances from group company	-	-
Adjustments to tax charge in respect of previous period	881	1,239
Short Term timing differences	5,083	(283)
Excess foreign tax suffered	379	195
Current tax charge for the period (note 6 (a))	<u><u>3,878</u></u>	<u><u>3,276</u></u>

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

6 TAXATION (continued)

c) Factors that may affect future tax charges

The Company's future effective tax rate is expected to approximate the statutory rate of corporation tax in the UK

Deferred tax	2006	2005
	£000	£000
Deferred tax asset at 1 January	4,112	2,721
Credit/(charge) to profit and loss account	4,855	(506)
Adjustments in respect of prior periods	227	1,897
Deferred tax asset at 31 December	<u>9,194</u>	<u>4,112</u>
Accelerated Capital allowances	822	1,050
Short term timing differences	8,372	3,062
	<u>9,194</u>	<u>4,112</u>

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

7 INTANGIBLE ASSETS

Group	2006	2006	2006
	£000	£000	£000
	Intangibles	Goodwill	Total
Cost			
At 1st January	4,347	105,673	110,020
Additions	-	-	-
At 31st December	<u>4,347</u>	<u>105,673</u>	<u>110,020</u>
Amortisation			
At 1st January	(290)	(21,483)	(21,773)
Charged in year	(434)	(5,284)	(5,718)
At 31st December	<u>(724)</u>	<u>(26,767)</u>	<u>(27,491)</u>
Net book value at 31st December	<u>3,623</u>	<u>78,906</u>	<u>82,529</u>

Goodwill arises from the acquisition of Credit Suisse Pooled Pensions Limited, Credit Suisse Asset Management Unit Managers Limited and Credit Suisse Asset Management (UK) Limited in 2001. The goodwill was reviewed for impairment in the year and in the opinion of the Directors, no write down was required.

Company	2006	2006	2006
	£000	£000	£000
	Intangibles	Goodwill	Total
Cost			
At 1st January	4,347	-	4,347
Additions	-	-	-
At 31st December	<u>4,347</u>	<u>-</u>	<u>4,347</u>
Amortisation			
At 1st January	(290)	-	(290)
Charged in year	(434)	-	(434)
At 31st December	<u>(724)</u>	<u>-</u>	<u>(724)</u>
Net book value at 31st December	<u>3,623</u>	<u>-</u>	<u>3,623</u>

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

8 TANGIBLE FIXED ASSETS

Group and Company	Capital payment £000	Leased assets £000	Leasehold improvements £000	Furniture and equipment £000	Total £000
Cost					
At 1/1/06	2,040	1,030	1,154	11,273	15,497
Additions	-	150	-	1,351	1,501
Disposals	-	-	(1,154)	(3,008)	(4,162)
At 31/12/06	<u>2,040</u>	<u>1,180</u>	<u>-</u>	<u>9,616</u>	<u>12,836</u>
Depreciation					
At 1/1/06	2,040	159	1,086	10,354	13,639
Charge for year	-	417	53	586	1,056
Disposals	-	-	(1,139)	(2,962)	(4,101)
At 31/12/06	<u>2,040</u>	<u>576</u>	<u>-</u>	<u>7,978</u>	<u>10,594</u>
Net book value					
At 31/12/06	-	604	-	1,638	2,242
At 31/12/05	<u>-</u>	<u>871</u>	<u>68</u>	<u>919</u>	<u>1,858</u>

In 1995 the Company paid an amount of £2,040,000 in respect of a non-exclusive licence to occupy its current premises of Beaufort House. This was paid to Credit Suisse (UK) Limited.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

9 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Company	2006 £000	2005 £000
Cost at 1st January	182,031	182,031
Cost at 31st December	<u>182,031</u>	<u>182,031</u>

The principal subsidiaries are set out in note 23

Of the investments in subsidiaries £19.9 million relates to companies in liquidation where final distribution is awaited. Full recovery is expected within 2007.

During 2002 the trade and net assets of two subsidiaries, Credit Suisse Asset Management (UK) Limited (CSAM (UK)) and Credit Suisse Asset Management Unit Managers Limited (CSAM UM) were transferred at zero cost to Credit Suisse Asset Management Limited (CSAML) and Credit Suisse Asset Management Funds (UK) Limited (CSAMF). The cost of the company's investment in CSAM (UK) reflected the underlying fair value of its net assets and goodwill at the time of acquisition. As a result of this transfer, the value of the company's investment in CSAM (UK) fell below the amount which was stated in the company's accounting records. Schedule 4 of the Companies Act 1985 requires that the investment be written down accordingly and that the amount be charged as a loss in the company's profit and loss account. However, the directors consider that, as there has been no overall loss to the company, it would fail to give a true and fair view to charge that diminution to the company's profit and loss account for the year and it should instead be re-allocated as an increase to the book value of the company's investment in CSAML and CSAMF.

10. ASSETS HELD TO COVER LINKED LIABILITIES

	Group 2006 £000	Company 2006 £000	Group 2005 £000	Company 2005 £000
Investments at cost	<u>718,700</u>	<u>-</u>	<u>687,824</u>	<u>-</u>
Investments at market value	<u>818,437</u>	<u>-</u>	<u>799,096</u>	<u>-</u>
Net assets held to cover linked liabilities	<u>823,607</u>	<u>-</u>	<u>807,249</u>	<u>-</u>

Of the total net assets held to cover linked liabilities, £219 million (2005 - £238 million) represented managed funds. These are group pension funds which Credit Suisse Pooled Pensions Limited administers in its own name but on behalf of others.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

11 DEBTORS

	Group 2006 £000	Company 2006 £000	Group 2005 £000	Company 2005 £000
Trade debtors	25,803	321	22,152	-
Amounts owed by fellow subsidiary undertakings	9,199	25,117	19,351	37,170
Income Tax recoverable		-	72	-
Other debtors	3,685	3,173	4,233	2,887
Prepayments and other accrued income	7,544	-	6,424	-
Deferred taxation	9,194	8,443	4,112	3,540
Corporation tax receivable – Group Relief	4,955	-	5,177	4,548
Corporation Tax receivable	529	527	527	527
	<u>60,909</u>	<u>37,581</u>	<u>62,048</u>	<u>48,672</u>
Deferred taxation is made up of				
Accelerated capital allowances	822	681	1,049	859
Deferred compensation	5,858	5,858	901	901
Property Provision	1,669	1,669	1,342	1,342
Trademark	610	-	382	-
Amortisation/ depreciation of capitalised revenue expenditure	3	3	3	3
Pension	232	232	435	435
	<u>9,194</u>	<u>8,443</u>	<u>4,112</u>	<u>3,540</u>

Of the total debtors of £61 million (Company £38 million), approximately £14.1 million (Company £8.4 million) is recoverable after one year (2005 - Group £9.8 million, Company £8.3 million)

The recoverability of the deferred tax assets have been determined based on a projection of the future profitability of the company and its subsidiary undertakings over the next five years

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

12 INVESTMENTS

Included within investments are -

	Group 2006 £000	Company 2006 £000	Group 2005 £000	Company 2005 £000
Investment in Cash Fund OEIC	5,000	-	5,000	-
Investment in short term deposits	5,249	-	5,007	-
Fixed interest securities – listed, at cost	<u>10,249</u>	<u>-</u>	<u>10,007</u>	<u>-</u>
Fixed interest securities – listed, at market value	<u>10,249</u>	<u>-</u>	<u>10,007</u>	<u>-</u>

13 CREDITORS: amounts falling due within one year

	Group 2006 £000	Company 2006 £000	Group 2005 £000	Company 2005 £000
Bank overdraft	-	-	319	-
Trade creditors	15,891	-	23,383	98
Amounts owed to fellow subsidiary undertakings	106,603	116,163	100,686	109,113
Other creditors	1,227	11	3,996	1,988
Corporation tax payable	6,589	2,943	6,242	-
Finance Lease Obligations	606	606	871	871
Accruals and deferred income	50,750	45,793	37,753	29,279
	<u>181,666</u>	<u>165,516</u>	<u>173,250</u>	<u>141,349</u>

Group

Within amounts owed to fellow subsidiary undertakings is a £9,750,000 subordinated loan from Credit Suisse First Boston and a £70,000,000 loan from Credit Suisse Asset Management International Holding, Zurich. The loan is repayable on 7th December 2007 or as otherwise agreed between the parties in writing. Interest is payable on the loan at LIBOR plus 110 basis points per annum.

The £9,750,000 subordinated loan is repayable and interest rates are reset at such dates as may be agreed between the parties. Interest is payable on the loan at LIBOR plus 0.3 per cent per annum. The loan, together with any interest outstanding thereon, is subordinated in right of repayment to all other indebtedness and liabilities of the Company.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

13 CREDITORS: amounts falling due within one year (continued)

Company

Within amounts owed to fellow subsidiary undertakings is a £70,000,000 loan from Credit Suisse Asset Management International Holding, Zurich. The loan is repayable on 7th December 2007 or as otherwise agreed between the parties in writing. Interest is payable on the loan at LIBOR plus 110 basis points per annum.

14 PROVISIONS FOR LIABILITIES AND CHARGES

Group and Company	Pension	Restructuring	Unoccupied space	Total
	£000	£000	£000	£000
Balance as at 1st January 2006	100	3,709	1,900	5,709
Utilised during year	-	(197)	(313)	(510)
Charged	-	449	16	465
Balance as at 31st December 2006	<u>100</u>	<u>3,961</u>	<u>1,603</u>	<u>5,664</u>

PENSION

This relates to a potential deficit on the transfer of employees from the Sun Life Financial of Canada Pension Scheme to the Credit Suisse Group (UK) pension in respect of employees formerly employed in the UK asset managed business of Sun Life Financial of Canada in 2001.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

14 PROVISIONS FOR LIABILITIES AND CHARGES (Continued)

RESTRUCTURING

The restructuring provision covers property related costs as a result of the acquisition of the three principal UK asset management businesses of Sun Life Financial of Canada in 2001. Approximately £1.3 million relates to a backdated rental review. The remainder relates to the difference between rental income and expense as well as rates and service charges until expiry of the lease. It is noted that these estimates are uncertain since they have not been agreed with the Landlord yet. The lease expires in 2014 and rental payments will continue to be made until this time.

UNOCCUPIED SPACE

This relates to an estimated shortfall in rental income on floor space in Beaufort House which became vacant in early 2007. The lease expires in 2015 and payments will continue to be made until this time.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

15. SHARE AWARDS

The Company's share-based payments, which are an integral part of the Company's annual remuneration process, are an important part of the overall compensation package for key employees and senior executives and are designed to promote employee retention and align employee and shareholder interests. The majority of share-based payments are granted as part of the annual performance incentive bonus granted to employees subsequent to the financial year to which the performance incentive bonus relates. Share-based payments are generally subject to restrictive features such as vesting, forfeiture and blocking rules.

The Company also awarded Performance Incentive Plan units ('PIPs') as part of its long-term incentive program in 2006 and 2005, based upon individuals' performance in 2005 and 2004, respectively. Each PIP unit provides the holder with the potential to receive Credit Suisse Group common shares at the end of the five-year vesting period following the grant date, based on the achievement of certain performance and market criteria, continued employment with the CS group and certain other conditions such as restrictive covenants and forfeiture provisions. Compensation expense for PIPs is adjusted annually based on management's estimate of earnings performance over the five year vesting.

In January 2007, as part of the 2006 remuneration process, CS group has streamlined its share-based payment programs and will issue one common instrument, Incentive Share Units ('ISUs'). Previously granted awards will continue to settle under their original terms and are not affected by the ISU. The ISU award combines features of traditional share grants with a leverage component linked to the development of the Credit Suisse Group share price.

Total compensation expense for stock awards payments recognised during 2006 and 2005 was £9.1 million and £7.7 million respectively.

The total stock award liability recorded as at 31 December 2006 was £14.8 million (2005 £6.1 million), of which the fair value of the liability consists solely of the intrinsic value. The fair value used to calculate the stock award liability was the closing Credit Suisse Group share price as at 31 December 2006 CHF 85.45 (2005 CHF67.00). The average weighted fair value of awards granted in 2006 was CHF75.87 (2005 CHF48.84). The intrinsic value of vested share-based awards outstanding as at the year end was £1.6 million (2005 £2.0 million).

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

15 SHARE AWARDS (continued)

Movements in the number of share awards and PIP units outstanding were as follows

	2006	2005
	'000	'000
Stock excluding PIP units		
At 1 January	159	155
Granted	161	90
Delivered	(58)	(86)
Forfeited	(19)	
At 31 December	<u>243</u>	<u>159</u>
	2006	2005
	'000	'000
PIP units		
At 1 January	30	-
Granted	62	30
Delivered	(2)	-
Forfeited		
At 31 December	<u>90</u>	<u>30</u>

Share options

No share options were outstanding during the year (2005 Nil)

Share option awards granted in or before January 2003 for service provided in prior years were fully expensed during the year of service. The Company has cash settled the stock option liabilities with Credit Suisse Group following the year in which stock options was expensed.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31st December 2006

16. SHARE CAPITAL

Group	2006 £000	2005 £000
<i>Authorised</i>		
20,000,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
<i>Allotted, called up and fully paid</i>		
14,198,587 ordinary shares of £1 each	<u>14,199</u>	<u>14,199</u>
Company	2006 £000	2005 £000
<i>Authorised</i>		
20,000,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
<i>Allotted, called up and fully paid</i>		
14,198,587 ordinary shares of £1 each	<u>14,199</u>	<u>14,199</u>

17. COMBINED STATEMENT OF MOVEMENT IN RESERVES AND RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS

Group	Share capital £000	Share premium account £000	Capital reserve £000	Profit & and loss account £000	Total £000
As at 1st January	14,199	23,198	68,838	(42,532)	63,703
Loss for the year	-	-	-	(15,125)	(15,125)
As at 31st December 2006	<u>14,199</u>	<u>23,198</u>	<u>68,838</u>	<u>(57,657)</u>	<u>48,578</u>

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

17 COMBINED STATEMENT OF MOVEMENT IN RESERVES AND RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS (continued)

Company	Share capital	Share premium account	Capital reserve	Profit & loss account	Total
	£000	£000	£000	£000	£000
As at 1st January	14,199	23,198	68,000	1,454	106,851
Loss for the year	-	-	-	(4,495)	(4,495)
As at 31st December	<u>14,199</u>	<u>23,198</u>	<u>68,000</u>	<u>(3,041)</u>	<u>102,356</u>

Capital reserves are considered to constitute distributable reserves. Accordingly, distributable reserves of the Company at 31st December 2006 were £65.0 million (2005 - £69.5 million)

18 COMPANY PROFIT AND LOSS ACCOUNT

The Company has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The Company made a loss of £4.5 million (2005 - £3.02 million loss) during the financial year.

19 PENSION SCHEME

The Company's employees participate in the Credit Suisse Group (UK) Pension Fund ('the Fund'). The Fund provides benefits on both a final salary and money purchase basis. The Fund is operated through a fellow group undertaking, Credit Suisse Securities (Europe) Limited formerly known as Credit Suisse First Boston (Europe) Ltd. The Fund is administered by a Corporate Trustee, whose Directors are Directors of Credit Suisse First Boston Trustees Limited. During the year, they were advised by Hewitt Bacon and Woodrow who also act as actuaries. The Fund's assets for the final salary section are managed by

Liontrust Investment Services Limited
JPMorgan Fleming Asset Management
Alliance Bernstein Institutional Investment
Goldman Sachs Asset Management
Credit Suisse Asset Management Limited

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

19 PENSION SCHEME (continued)

Contributions to the Fund are paid by a number of participating companies. Credit Suisse Asset Management (UK) Holding Limited is one such company. As a result, Credit Suisse Asset Management (UK) Holding Limited is unable to identify its share of the underlying assets and liabilities within the Fund. In accordance with the exemption granted in FRS17 'Retirement Benefits' for multi-employer schemes, the defined benefit scheme is accounted for as if the scheme was a defined contribution scheme.

An actuarial valuation is performed every three years. Results for the valuation performed on 31 December 2005 will be finalised by 31 March 2007. The latest disclosed valuation was performed as at 31 December 2002. The results of this valuation, which was performed using the 'projected unit' funding method, showed that the assets of the final salary sections amounted to £233.8 million and were sufficient to secure 73% of the liabilities of these sections based on projected Final Pensionable Salaries. The deficit in the Fund at the valuation date was £85.2 million.

During 2006 the Credit Suisse Group (UK) Pension Fund has been funded by a payment of £431,000 from Credit Suisse Private Banking to cover the estimated deficit at 31 August 2003. This deficit was calculated to reflect market movements, contributions and benefit payments since 31 December 2002.

In accordance with the results of the valuation carried out as at 31 December 2002, employers' contributions continued to be paid at the following rates over 2006:

Final Salary sections	£431,000 per annum
Money Purchase Section	Contributions for retirement benefits, plus 1.3% of members' Pensionable Salaries

The total pension cost for the group of companies headed by CSAM (UK) Holding Limited in 2006 was £2.8 million (2005: £2.1 million) of which £0.2 million (2005: £0.2 million) and £2.6 million (2005: £1.9 million) relates to the Final Salary and to the Money Purchase Scheme, respectively.

20 COMMITMENTS

Annual commitments under operating leases are as follows:

Group and Company	Land and	Land and
	Buildings	Buildings
	2006	2005
	£000	£000
Operating leases which expire		
Within one year	-	-
In the second to fifth years inclusive	-	-
Over five years	1,171	996
	<u>1,171</u>	<u>996</u>

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31st December 2006

21 OBLIGATIONS UNDER FINANCE LEASES

	2006	2005
	£000	£000
Less than one year	395	343
Between two and five years	211	528
Greater than five years	-	-
	<u>606</u>	<u>871</u>

22. PARENT AND ULTIMATE HOLDING COMPANY

The Company is a direct subsidiary of Credit Suisse First Boston AG, a Company incorporated in the Canton of Zurich, Switzerland. The accounts of Credit Suisse First Boston AG are available from its head office which is at Uetlibergstrasse 231, 8045 Zurich, Switzerland. The largest group in which the results of the Company are consolidated is that headed by Credit Suisse Group, which is incorporated in the Canton of Zurich, Switzerland. The smallest group in which they are consolidated is that headed by Credit Suisse First Boston AG. Financial statements for Credit Suisse Group can be obtained from its head office at Paradeplatz 8, Zurich, Switzerland.

CREDIT SUISSE ASSET MANAGEMENT (UK) HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31st December 2006

23 SUBSIDIARY COMPANIES

The principal activities of the Company's subsidiary undertakings, which are all wholly owned and incorporated in England and Wales, are as follows

Direct Subsidiaries

Credit Suisse Asset Management Limited	Provision of asset management
Credit Suisse Asset Management (UK) Limited (In liquidation)	Provision of asset management services
Credit Suisse Asset Management Unit Managers Limited (In liquidation)	Management of Open Ended Investment Companies and Unit Trusts
Credit Suisse Pooled Pensions Limited	Provision of pooled Corporate Pensions
Credit Suisse Property Investment Management Limited	Provision of specialist property asset management and consultancy services
Credit Suisse Asset Management Funds (UK) Limited	Management of Open Ended Investment Companies and Unit Trusts
CSAM Nominees Limited	Provision of nominee services
CSAM MM Nominees Limited	Provision of nominee services

Indirect Subsidiaries

Credit Suisse Property Financial Services Limited (In liquidation)	Provision of financial, investment and advisory services
Broad Street Mall Limited (In liquidation)	Provision of property management services to a limited partnership
Buckingham Estate (General Partner) Limited (In liquidation)	Provision of property management services to a limited partnership
Courts Nominees Limited	Provision of nominee services
Eagle Nominees Limited (In liquidation)	Provision of nominee services
Mare Nominees Limited	Provision of nominee services
Cockspur Property (General Partner) Limited	Provision of property management services to a limited partnership
Cockspur Property Nominee (No 1) Limited	Provision of nominee services
Griffin Nominees Limited	Provision of nominee services
Credit Suisse Asset Management (Middle East) Limited	Party to a co-operation agreement with the National Investor of United Arab Emirates