CREDIT SUISSE

DLJ UK INVESTMENT HOLDINGS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Company Registration Number 03424583

DLJ UK INVESTMENT HOLDINGS LIMITED

BOARD OF DIRECTORS

David Long

Costas P Michaelides

Paul E Hare

COMPANY SECRETARY

Paul E Hare

DLJ UK INVESTMENT HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors present their report and the financial statements for the year ended 31 December 2011

International financial reporting standards

The Group's 2011 annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU)

The financial statements were authorized for issue by the directors on 17 September 2012

Business review and principal activities

DLJ UK Investment Holdings Limited (the "Company") is an investment holding company, whose ultimate parent is Credit Suisse Group AG

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

The principal activity of the Company together with its subsidiaries (the "Group") is that of investment holding

The DLJ UK Investment Holdings Limited (the Group's) interests include Credit Suisse BG Strategy Investments (UK) (formerly known as LG/SL (Property Management)), which facilitates the funding of Credit Suisse group entities through finance transactions, and DLJ International Group Limited, which is the holding company for

- DLJ UK Holding, whose principal activity is that of an investment company,
- DLJIS Holdings Limited which is dormant,
- DLJ Group, whose activities comprise of the holding of investments from which the principal source of income derived is interest,
- DLJ Investment Partner II Limited, which is indirectly held through DLJ Group, was a limited partner in three limited partnerships, Phoenix General Partner Limited Partnership II ("Limited Partnership II"), Phoenix Equity Partners II "A" and Phoenix Equity Partner II "B" On 15 April 2009, these partnerships were closed, and
- Park Acquisitions Limited ("PAL"), whose activity is that of a holding company

DLJ International Group Limited is a Class B shareholder of Credit Suisse Shimada Investments (Gibraltar), and is entitled to 30% of all the votes available to be exercised The Class A shareholder is entitled to the remaining 70% voting interest and has control over the financial and operating policies, and decision making capabilities

DLJ International Group Limited held 9 99% of the share capital of a third party entity, Crosshill Finance Limited, with a carrying value of US$ 179,257 as at the beginning of the year During 2011, the entire investment was disposed of

Donaldson, Lufkin & Jenrette International, a subsidiary of DLJ International Group Limited, has been dissolved on 13 December 2011

Business review and principal activities (continued)

On 24 August 2011, as per novation and amendment agreements between the Company, Credit Suisse AG, London Branch and Credit Suisse International, the outstanding loan amounts under the loans made to the Company by Credit Suisse AG, London Branch under the loan agreements dated 29 January, 2007, 24 August 2007 and 26 February, 2009 (the "Loan Agreements") were transferred to Credit Suisse International and all rights and obligations of Credit Suisse AG, London Branch under the Loan Agreements were novated to Credit Suisse International Prior to its novation, the outstanding loan amount under the loan agreement dated 24 August 2007 was reduced by utilising the deposit (together with accrued interest) which the Company held with Credit Suisse AG, London Branch At the same time, the various deposits and charges pursuant to which Credit Suisse BG Strategy Investments (UK) ("CS BG Strategy"), DLJ Group and DLJ UK Holding guaranteed the obligations of the Company under the Loan Agreements were also novated to and/or secured in favour of Credit Suisse International under various novation and security agreements with Credit Suisse AG, London Branch and Credit Suisse International such that Credit Suisse AG, London Branch ceased to be a deposit and charge holder, and Credit Suisse International became a new deposit holder in place of Credit Suisse AG, London Branch

Going concern basis

The financial statements have been prepared on a going concern basis, notwithstanding the deficiency in the net current assets, as Credit Suisse AG, Zurich has confirmed its intention to provide the necessary financial support to the Company to continue operations and meet its liabilities as and when they fall due

Performance

The Group reported a loss after tax, attributable to shareholders, for the year of US$15,394,000 (2010 US$17,783,000)

As at 31 December 2011, the Group had total assets of US$14,982,333,000 (2010 US$14,829,447,000) and net assets position of US$2,921,358,000 (2010 US$2,795,113,000) Movement in net assets position is on account of loss for the year of US$15,394,000 (2010 US$17,783,000) and gain on translation differences relating to financial statements of foreign subsidiaries and associates of US$141,639,000 (2010 US$379,335,000)

Principal risks and uncertainties

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

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

Share capital

No additional share capital was issued by the Company during the year (2010 US$Nil)

Dividends

No dividends were paid or are proposed during the year (2010 US$Nil)

Financial risk management

The Group's financial risk management objectives and policies and the exposure of the Group to foreign exchange risk, credit risk, liquidity risk, and interest rate risk are outlined in note 25

Directors

The names of the directors as at the date of this report are set out on page 2 There have been no changes in the directorate since 31 December 2010, and up to 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 or had any disclosable interest in shares of Credit Suisse Group companies All directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

Disclosure of information to auditor

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

Donations

No charitable or political donations were made during the year (2010 US$Nil)

Auditor

Pursuant to section 487 Companies Act 2006, KPMG Audit Plc continues in office as the Company's and Group's auditor

Prompt payment code

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

Subsequent events

On 13 March 2012, DLJIS Holdings Limited, a subsidiary of DLJ International Group Limited, has been dissolved

On 21 March 2012, the Government announced that the corporation tax rate applicable from 1 April 2012 would be 24% and that there will be further proposed reductions in the UK corporation tax rate by 1% per annum to 22% by 1 April 2014 The reduction to 24% was substantively enacted on 26 March 2012 and the reduction to 23% was substantively enacted on 3 July 2012

On 16 July 2012, DLJ International Group Limited sold its entire shareholding in Park Acquisitions Limited (PAL), for a consideration of GBP 749,725, to a third party PAL is the holding company for Park Finance Holdings Limited, Park Motor Finance Limited, Gateway Credit Limited and Park Personal Loans Limited

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

By Order of the Board

Paul E Hare
Company Secretary
One Cabot Square
London E14 4QJ

17 September 2012

DLJ UK INVESTMENT HOLDINGS 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 group and parent company financial statements for each financial year Under that law they have elected to prepare the group and parent company financial statements in accordance with IFRS as adopted by the EU and applicable laws

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 group and parent company and of their profit and loss for that period In preparing each of the group and parent company 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 group and parent 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 group and the parent 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 group and the parent company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DLJ UK INVESTMENT HOLDINGS LIMITED

We have audited the financial statements of DLJ UK Investment Holdings Limited for the year ended 31 December 2011 set out on pages 8 to 46 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company ("the Company") financial statements, as applied in accordance with the provisions of the Companies Act 2006

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 auditors

As explained more fully in the Statement of Directors' responsibilities set out in page 6, 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 Auditing Practices Board's (APB's) Ethical Standard 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 APB's web-site at http //www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2011 and of the group's loss for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU,
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements 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 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Nicholas J Edmonds (Senior Statutory Auditor)

For and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL
17 September 2012

DLJ UK Investment Holdings Limited
Consolidated Statement of Comprehensive Income for the year ended 31 December 2011

	Note	2011 US$'000	2010 US$'000
Revenue	2(q)	-	112
Interest income	3	89,660	133,272
Finance cost	4	(90,062)	(131,064)
Net interest (expense)/income		**(402)**	**2,208**
Gain on financial instruments	5	405	1,278
Other income	6	452	4,623
Net operating income		**455**	**8,221**
Administrative expenses	7	(5,779)	(11,182)
Other expenses	7	(184)	-
Share of loss of equity accounted investee (net of income tax)	12	(2,658)	(7,259)
Impairment of other investment	11	-	(1,664)
Loss before tax		**(8,166)**	**(11,884)**
Income tax expense	8	(7,228)	(5,899)
Loss for the year		**(15,394)**	**(17,783)**
Attributable to:			
Equity holders of parent		(21,122)	(23,028)
Non controlling interest		5,728	5,245
Total		**(15,394)**	**(17,783)**

Losses for 2011 and 2010 are from continuing operations

The Company's loss after tax was US$15,483,000 for the year ended 31 December 2011 (2010 US$14,208,000)

The notes on pages 17 to 46 form an integral part of these consolidated financial statements

DLJ UK INVESTMENT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 US$'000	2010 US$'000
Loss for the year		**(15,394)**	**(17,783)**
Other comprehensive income for the year			
Foreign currency translation gain	22	141,639	379,335
Total comprehensive income for the year		**126,245**	**361,552**

The notes on pages 17 to 46 form an integral part of these consolidated financial statements

DLJ UK INVESTMENT HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	2011 US$'000	2010 US$'000
ASSETS			
Non-current assets			
Loans and receivables	9	1,912	12,928
Other investments	11	4,714	4,893
Investment in associates	12	3,038,248	2,899,379
Trade and other receivables	14	11,398,110	9,028,277
Deferred tax assets	8	63,210	75,161
Total non-current assets		**14,506,194**	**12,020,638**
Current assets			
Inventories	13	37	87
Loans and receivables	9	9,438	17,646
Trade and other receivables	14	39,073	2,441,660
Cash and cash equivalents	16	427,461	349,286
Tax receivable	17	130	130
Total current assets		**476,139**	**2,808,809**
Total assets		**14,982,333**	**14,829,447**
LIABILITIES			
Non-current liabilities			
Borrowings	18	10,984,473	9,028,277
Trade and other payables	20	511,403	310
Deferred tax liabilities	8	43	58
Total non-current liabilities		**11,495,919**	**9,028,645**
Current liabilities			
Bank overdrafts	19	555	1,040
Borrowings	18	22,841	2,020,009
Trade and other payables	20	541,600	984,189
Derivative financial instruments	15	60	451
Total current liabilities		**565,056**	**3,005,689**
Total liabilities		**12,060,975**	**12,034,334**
SHAREHOLDERS' EQUITY			
Share capital	21	115,978	115,978
Retained earnings		(944,896)	(923,774)
Capital reserve	22	221,807	221,807
Translation reserve	22	1,071,505	929,866
Non controlling interest		2,456,964	2,451,236
Total shareholders' equity		**2,921,358**	**2,795,113**
Total shareholders' equity and liabilities		**14,982,333**	**14,829,447**

The notes on pages 17 to 46 form an integral part of these consolidated financial statements

Approved by the Board of Directors on 17 September 2012 and signed on its behalf by

David Long
Director

DLJ UK INVESTMENT HOLDINGS LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	2011 US$'000	2010 US$'000
ASSETS			
Non-current assets			
Investment in subsidiaries	10	11,347,226	11,347,226
Total non-current assets		**11,347,226**	**11,347,226**
Current assets			
Trade and other receivables	14	493	33,501
Cash and cash equivalents	16	71,504	1,016
Total current assets		**71,997**	**34,517**
Total assets		**11,419,223**	**11,381,743**
LIABILITIES			
Non-current liabilities			
Borrowings	18	10,984,473	9,028,277
Total non-current liabilities		**10,984,473**	**9,028,277**
Current liabilities			
Bank overdraft	19	18	1,021
Borrowings	18	-	1,978,055
Trade and other payables	20	540,656	464,831
Total current liabilities		**540,674**	**2,443,907**
Total liabilities		**11,525,147**	**11,472,184**
SHAREHOLDERS' EQUITY			
Share capital	21	115,978	115,978
Retained earnings		(221,902)	(206,419)
Total shareholders' equity		**(105,924)**	**(90,441)**
Total shareholders' equity and liabilities		**11,419,223**	**11,381,743**

The notes on pages 17 to 46 form an integral part of these Company financial statements

Approved by the Board of Directors on 17 September 2012 and signed on its behalf by

David Long
Director

DLJ UK INVESTMENT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

	Share capital US$'000	Retained earnings US$'000	Other reserves Capital reserve US$'000	Other reserves Translation reserve US$'000	Total reserves attributable to equity holder US$'000	Non controlling interest US$'000	Total US$'000
Balance at 1 January 2011	**115,978**	**(923,774)**	**221,807**	**929,866**	**227,899**	**2,451,236**	**2,795,113**
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	141,639	141,639	-	141,639
Net income and expense recognised directly in equity	**-**	**-**	**-**	**141,639**	**141,639**	**-**	**141,639**
(Loss)/profit for the year	-	(21,122)	-	-	(21,122)	5,728	(15,394)
Total recognised income and expense for the year	**-**	**(21,122)**	**-**	**141,639**	**120,517**	**5,728**	**126,245**
Balance at 31 December 2011	**115,978**	**(944,896)**	**221,807**	**1,071,505**	**348,416**	**2,456,964**	**2,921,358**

The notes on pages 17 to 46 form an integral part of these consolidated financial statements

DLJ UK INVESTMENT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

			Other reserves				
	Share capital US$'000	Retained earnings US$'000	Capital reserve US$'000	Translation reserve US$'000	Total reserves attributable to equity holder US$'000	Non controlling interest US$'000	Total US$'000
Balance at 1 January 2010	**115,978**	**(900,746)**	**221,807**	**550,531**	**(128,408)**	**2,077,023**	**2,064,593**
Translation differences relating to financial statements of foreign subsidiaries and associates	-	-	-	379,335	379,335	-	379,335
Net income and expense recognised directly in equity	**-**	**-**	**-**	**379,335**	**379,335**	**-**	**379,335**
(Loss)/profit for the year	-	(23,028)	-	-	(23,028)	5,245	(17,783)
Total recognised income and expense for the year	**-**	**(23,028)**	**-**	**379,335**	**356,307**	**5,245**	**361,552**
Issuance of shares to non controlling interest shareholder	-	-	-	-	-	368,968	368,968
Balance at 31 December 2010	**115,978**	**(923,774)**	**221,807**	**929,866**	**227,899**	**2,451,236**	**2,795,113**

The notes on pages 17 to 46 form an integral part of these consolidated financial statements

DLJ UK INVESTMENT HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

	Share capital	Retained earnings	Total
	US$'000	US$'000	US$'000
Balance at 1 January 2011	**115,978**	**(206,419)**	**(90,441)**
Loss for the year	-	(15,483)	(15,483)
Total recognised expense for the year	**-**	**(15,483)**	**(15,483)**
Balance at 31 December 2011	**115,978**	**(221,902)**	**(105,924)**

	Share capital	Retained earnings	Total
	US$'000	US$'000	US$'000
Balance at 1 January 2010	**115,978**	**(192,211)**	**(76,233)**
Loss for the year	-	(14,208)	(14,208)
Total recognised expense for the year	**-**	**(14,208)**	**(14,208)**
Balance at 31 December 2010	**115,978**	**(206,419)**	**(90,441)**

The notes on pages 17 to 46 form an integral part of these Company financial statements

DLJ UK Investment Holdings Limited
Consolidated Statement of Cash Flows for the year ended 31 December 2011

	Note	2011 US$'000	2010 US$'000
Cash flow from operating activities			
Loss before tax for the year		(8,166)	(11,884)
Adjustments to reconcile net profit to net cash (used in) / provided by operating activities			
Non-cash items included in loss before tax and other adjustments			
Foreign exchange loss/(gain) on taxes		-	(22)
Share of loss of equity-accounted investee	12	2,658	7,259
Loss on disposal of investment	11	179	-
Impairment of other investment	11	-	1,664
Profit on sale of investment in partnerships	6	(60)	-
Net interest expense/(income)		402	(2,208)
Operating loss before working capital changes		**(4,987)**	**(5,191)**
Decrease/(increase) in operating assets			
Trade and other receivables		37,318	(39,775)
Derivative financial instruments		(405)	14,951
Loans & receivables		19,895	36,711
Inventories		51	166
Increase/(decrease) in operating liabilities			
Trade and other payables		68,099	(7,681)
Cash generated from /(used in) operations		**119,971**	**(819)**
Interest received		89,834	133,102
Interest paid		(89,660)	(130,728)
Income tax paid		-	-
Net cash flow generated from operating activities		**120,145**	**1,555**
Investing activities			
Acquisition of other investments		-	(1,843)
Proceeds from cessation of partnerships		60	-
Net cash flow generated from/(used in) investing activities		**60**	**(1,843)**
Financing activities			
Issuance of shares by subsidiary to Non controlling interest		-	368,968
Decrease in borrowings		(41,585)	(25,946)
Net cash flow (used in)/generated from financing activities		**(41,585)**	**343,022**
Net increase in cash and cash equivalents		**78,620**	**342,734**
Cash and cash equivalents at beginning of the year		348,246	5,647
Effect of exchange rate on cash held		40	(135)
Cash and cash equivalents at end of the year		**426,906**	**348,246**

Cash and cash equivalents are analysed as follows

	Note	2011 US$'000	2010 US$'000
Cash and cash equivalents	16	427,461	349,286
Bank overdrafts	19	(555)	(1,040)
Total		**426,906**	**348,246**

The notes on pages 17 to 46 form an integral part of these consolidated financial statements

DLJ UK Investment Holdings Limited
Company Statement of Cash Flows for the Year Ended 31 December 2011

	Note	2011 US$'000	2010 US$'000
Cash flow from operating activities			
Loss before tax for the year		(15,483)	(14,208)
Adjustments to reconcile net loss to net cash used in operating activities			
Net interest expense		86,610	127,853
Operating profit before working capital changes		71,127	113,645
Net movement in operating assets and liabilities			
Decrease in trade and other receivables		33,008	226
Increase in trade and other payables		75,436	3,827
Cash generated from operations		179,571	117,698
Interest received		148	67
Interest paid		(86,369)	(127,902)
Net cash flow generated from/(used in) operating activities		**93,350**	**(10,137)**
Financing activities			
(Decrease)/increase in borrowings		(21,859)	10,403
Net cash flow from financing activities		**(21,859)**	**10,403**
Net decrease in cash and cash equivalents		**71,491**	**266**
Cash and cash equivalents at beginning of the year		(5)	(271)
Cash and cash equivalents at end of the year		**71,486**	**(5)**

Cash and cash equivalents are analysed as follows

	Note	2011 US$'000	2010 US$'000
Cash and cash equivalents	16	71,504	1,016
Bank overdraft	19	(18)	(1,021)
		71,486	**(5)**

The notes on pages 17 to 46 form an integral part of these Company financial statements

1. General

DLJ UK Investment Holdings Limited is a Company incorporated and domiciled in the United Kingdom The consolidated financial statements for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "Group") as set out in Note 10

2 Significant accounting policies

a) Statement of compliance

Both the Group financial statements and the Company financial statements have been prepared on a going concern basis and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRS") and are in compliance with Companies Act 2006 On publishing the Company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes

b) Basis of preparation

The financial statements are presented in United States Dollars (US$) which is the functional currency of the Company, rounded to the nearest thousand They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value derivative financial instruments held for trading

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

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

The financial statements have been prepared on a going concern basis, notwithstanding the deficiency in the net current assets, as Credit Suisse AG, Zurich has confirmed its intention to provide the necessary financial support to the Company to continue operations and meet its liabilities as and when they fall due

Standards and interpretations effective in the current period

The Company has adopted the following amendments and interpretation in the current year

- Revised IAS 24 Related Party Disclosures In November 2009, the IASB issued revisions to IAS 24"Related Party Disclosures" (IAS 24) effective from 1st January 2011 The objective of the revised IAS 24 is to simplify and ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties The Company has adopted the revisions to IAS 24 and these did not have a material impact on the existing related party disclosures For further information, refer to Note 23 Related party transactions

2 Significant accounting policies (continued)

b) Basis of preparation (continued)

Standards and interpretations effective in the current period (continued)

- Improvements to IFRSs 2010 In May 2010, the IASB issued "Improvements to IFRSs", which contains numerous amendments to IFRSs The "Improvements to IFRSs" comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards The adoption of Improvements to IFRSs did not have a material impact on the Company's financial position, results of operations or cash flows The disclosures required as a result of adoption are included in the notes to the financial statements for the year ended 31 December 2011

Standards and interpretations in issue but not yet effective

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

- Amendments to IFRS 7 Disclosures – Transfers of Financial Assets The amendments improved the understanding of transfer transactions of financial assets (for example, securitisations) by users of financial statements, including understanding the possible effects of any risks that may remain with the entity that transferred the assets The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period The amendments are effective for annual periods beginning on or after 1 July 2011

- IFRS 10 Consolidated Financial Statements In May 2011, the IASB issued IFRS 10, "Consolidated Financial Statements" (IFRS 10) The objective of IFRS 10 is to establish principles for the presentation and preparation of Consolidated Financial Statements when an entity controls one or more other entities IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the Consolidated Financial Statements of the parent company The standard provides additional guidance to assist in the determination of control where this may be difficult to assess IFRS 10 is effective for annual periods beginning on or after 1 January 2013

- In December 2011, the IASB issued amendments to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities" The amendments require disclosures about the effect or potential effects of offsetting financial assets and financial liabilities and related arrangements on an entity's financial position The amendments are effective for annual periods beginning on or after 1 January 2013

- In December 2010, IASB issued Deferred tax- Recovery of underlying assets – Amendments to IAS 12 with an effective date of 1 January 2012

- In June 2011, IASB issued Presentation of items of Other Comprehensive Income effective from 1 July 2011

- IFRS 13 Fair Value measurement published by IASB in May 2011, replaces existing guidance on fair value measurement in different IFRS's with a single definition of fair value, a framework for measuring fair values and disclosures about fair value measurements

- IFRS 9 Accounting for financial liabilities and derecognition was issued by IASB in October 2010 is effective from 1 January 2013

- IAS 32 Financial Instruments Presentation Amendments to application guidance on the offsetting of financial assets and financial liabilities was issued in December 2011 with effect from 1 January 2013

2. Significant accounting policies (continued)

b) Basis of preparation (continued)

The expected impact of the standards and interpretations issued but not yet effective is still being assessed, however, the Group does not anticipate that the above interpretations will have a material impact on the reported numbers in the financial statements in the period of initial application The accounting policies have been applied consistently by the Group

The financial statements of the subsidiary, Park Acquisitions Limited ("PAL") included in the Group accounts have been prepared on a going concern basis

c) Basis of consolidation

The consolidated financial statements include the results and positions of the Company and its subsidiaries The consolidated financial statements include the statement of comprehensive income, statement of other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and the related notes of the Group and Company

A subsidiary is an entity in which the Company holds, directly or indirectly, more than 50% of the outstanding voting rights, or which it otherwise has the power to control Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities The results of subsidiaries acquired are included in the consolidated financial statements from the date that control commences until the date that control ceases Investments in subsidiary undertakings are accounted for at cost, in accordance with IAS27 'Consolidated and Separate Financial Statements', in the Company's stand alone accounts

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

Sale of interest in subsidiary that is under common control is accounted by using the book value approach, whereby the excess cash received over the cost of investment is treated as an adjustment to equity

Sale of interest in associate that is under common control is accounted for by using the fair value approach

Transfer of interest in subsidiary from entities under common control is accounted for at book value The excess of the consideration given over the historical cost is recorded as additional paid in capital

In case of acquisition of a minority interest in subsidiary which has already been controlled by the Group, the difference between the consideration paid and the share of the book value of net assets of the subsidiary acquired is recorded as an adjustment to equity

d) Foreign currency

The Company and Group's functional currency is United States Dollars (USD) Transactions denominated in currencies other than the functional currency of the reporting entity are translated at the foreign exchange rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated to US$ at the foreign exchange rate ruling at that date Foreign exchange differences arising from translation are recognised in the statement of comprehensive income Non-monetary assets and liabilities denominated in foreign currencies at balance sheet date are not revalued for movements in foreign exchange rates

2. Significant accounting policies (continued)

d) Foreign currency (continued)

For the purpose of consolidation, the assets and liabilities of subsidiaries operations with functional currencies other than US$ are translated into US$ equivalents using spot foreign exchange rates applicable at balance sheet date, whereas revenues and expenses are translated using the average foreign exchange rate for the period The resulting translation differences are recorded directly in shareholders' equity as translation reserves

e) Loans and receivables

Loans and receivables are recognised when cash is advanced to borrowers They are initially recorded at fair value plus any directly attributable transaction costs and subsequently are amortised on an effective yield basis, less impairment losses In the event of an impairment loss the effective yield will be re-estimated When calculating the effective yield, the Group estimates cash flows considering all contractual terms of the financial instruments including premiums, discounts, fees and transaction costs, but not future credit losses

In respect of loans and receivables, including receivables under hire purchase contracts, the Group assesses on an on-going basis whether there is objective evidence that a loan asset or a group of loan assets is impaired A loan asset or a group of loan assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and the loss event has an impact on the estimated future cash flows of the loan asset or group of loan assets that can be reliably estimated

The Group first assesses whether objective evidence of impairment exists individually for loan assets that are individually significant, and either individually or collectively for loan assets that are not individually significant

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the loan asset's original Effective Interest Rate (EIR) The carrying amount of the asset is reduced through the use of a loan loss provision The amount of the loss is recognised in the statement of comprehensive income as a loan loss provisioning charge within administrative expenses

For the purposes of a collective evaluation of impairment, loan assets are grouped on the basis of similar credit risk characteristics Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated Future cash flows for a group of loan assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets and historical loss experience for assets with credit risk characteristics similar to those in the group

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently

f) Other investments

Investment in partnerships

Investment in partnerships is recorded at cost and assessed for impairment on an annual basis Any charges relating to the impairment of these investments are recognised in the statement of comprehensive income in the period in which the impairment occurs When investments are disposed off, the profit/ (loss) resulting from the disposal are recognised in the statement of comprehensive income

2 Significant accounting policies (continued)

f) Other investments (continued)

Non-marketable equity securities

Non-marketable equity securities are classified as available-for-sale financial assets Equity instruments that do not have a quoted market price in an active market and in respect of which the range of fair value estimates is significant are measured at cost less impairment if the probabilities of the various estimates cannot be reasonably assessed

g) Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity

Associates entities are accounted for using the equity method (equity accounted investees) The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee

h) Investment in subsidiaries

Investment in subsidiaries is recorded at cost and is assessed for impairment on an annual basis Any charges relating to the impairment of investments in subsidiaries are recognised in the statement of comprehensive income in the period in which the impairment occurs When investments are disposed, the profit/ (loss) resulting from the disposal is recognised in the statement of comprehensive income

Subsidiaries are entities controlled by the Group Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities In assessing control, potential voting rights that presently are exercisable are taken into account The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases

i) Inventories

Inventories comprise motor vehicles held for resale and are stated at the lower of actual cost and net realisable value Net realisable value is the estimated selling price in the ordinary course of business, less variable selling expenses

j) Netting

The Group only offsets financial assets and liabilities and presents the net amount in the balance sheet where it

- currently has a legally enforceable right to set off the recognised amounts, and
- intends either to settle on a net basis, or to realise the asset and liability simultaneously

Intercompany balances with other Credit Suisse group companies are net settled and it is the Group's policy to offset assets and liabilities where applicable

2. Significant accounting policies (continued)

k) Derivative financial instruments and hedging

All freestanding derivative contracts are carried at fair value in the balance sheet and are held for risk management purposes When derivative features embedded in certain contracts that meet the definition of a derivative are not considered clearly and closely related to the host instrument, the embedded feature will be accounted for separately at fair value with changes in fair value recorded in the statement of comprehensive income unless, where consistent with the provisions of IAS 39, the fair value option is elected in which case the entire instrument is to be recorded at fair value with changes recorded in the statement of comprehensive income Once separated, the derivative is recorded in the same line in the balance sheet as the host instrument

Where hedge accounting is applied, the Group formally documents all relationships between hedging instruments and hedged items, including the risk management objectives and strategy for undertaking hedge transactions At inception of a hedge and on an ongoing basis, the hedge relationship is formally assessed to determine whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risk on both a retrospective and prospective basis The Group discontinues hedge accounting prospectively in the following circumstances

- It is determined that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item (including forecasted transactions),
- The derivative expires or is sold, terminated, or exercised,
- The derivative is no longer designated as a hedging instrument because it is unlikely that the forecasted transaction will occur, or
- The Group otherwise determines that designation of the derivative as a hedging instrument is no longer appropriate

l) Classification of financial instruments

Financial assets and liabilities at fair value through profit or loss - designated at fair value

Financial assets and liabilities are classified as "at fair value through profit or loss - designated at fair value" when either

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis,
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or,
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market

Held-to-maturity ("HTM") assets

HTM assets are non derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity

Available-for-sale ("AFS") assets

AFS assets are non derivative financial assets that are not designated as another category of financial asset

2. Significant accounting policies (continued)

m) Recognition and derecognition

The Group recognises financial assets or liabilities on its balance sheet when it becomes a party to the contractual provisions of the instrument Regular way purchase or sale of financial assets/financial liabilities is recognised/derecognised using settlement date accounting

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially the risks and rewards of ownership of the financial asset The Group enters into transactions whereby it transfers assets recognised on the balance sheet but retains either substantially all risks and rewards of the transferred assets or a portion of them If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the balance sheet Transfers of assets with retention of all or substantially all risks and rewards include securities lending and repurchase transactions

A financial liability is removed from the balance sheet when the obligations specified in the contract are discharged or cancelled or expired

n) Measurement

Financial instruments are measured initially at fair value plus transaction costs (transaction costs are not included in initial measurement of financial asset/financial liability at fair value through profit and loss) that are directly attributable to the acquisition or issue of the financial instrument

Gains or losses arising from subsequent measurements of financial assets/liabilities classified as financial assets/financial liabilities at fair value through profit or loss are recognised in the statement of comprehensive income

Other than financial liabilities classified as at fair value through profit or loss, all other financial liabilities after initial recognition are recognised at amortised cost using the effective interest rate method

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment

o) Cash and cash equivalents

Cash and cash equivalents comprise the components of cash and due from banks and deposits that are short-term, highly liquid instruments with original maturities of three months or less, which are subject to an insignificant risk of changes in their fair value and that are primarily held for the purpose of cash management

Cash and cash equivalents also include bank overdrafts for the purpose of the statement of cash flows

p) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax Income tax is recognised in the Statement of Comprehensive 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 the Statement of Comprehensive Income, the related income tax initially recognised in equity is also subsequently recognised in the Statement of Comprehensive Income

2. Significant accounting policies (continued)

p) Income tax (continued)

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

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

Periodically, management evaluates the probability that taxable profits will be available against which the deductible temporary differences and unused carry forward tax losses 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

Information as to the calculation of income tax on the profit or loss for the periods presented is included in Note 8

q) Revenue

Revenue consists of management and other fees received and are recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the state of completion of the transaction at the balance sheet date can be measured reliably, and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably Document fee income is charged at the start of the loan and recognised using the effective interest rate method

r) Interest income

Interest income includes interest on the Group's bank deposits and trade receivables recognised on an effective yield basis

Amounts due from lessees under hire purchase contracts are recorded as receivables at the amount of the Group's net investment in the contract Finance income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment (before tax) outstanding in respect of the contract Interest income continues to be recognised at the effective interest rate once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, irrespective of the terms of the loan and whether interest has been suspended on the customer's account This is referred to as the 'gross-up adjustment' to income and is offset by a corresponding 'gross-up adjustment' to the loan loss provisioning charge

s) Finance cost

Finance cost includes interest expense on the Group's short-term borrowing transactions, trade payables and bank interest recognised on an effective yield basis

2. Significant accounting policies (continued)

t) Other income

Insurance and brokerage income

The Group offers payment protection ('PPP') and guaranteed asset protection ('GAP') insurance products to its customers for which a commission is received from third party fronting insurers Commission received from third party insurers for brokering the sale of GAP insurance products, for which the Group does not bear any underlying insurance risk, is recognised and credited to the statement of comprehensive income when the brokerage service has been provided Commission relating to PPP insurance products, for which the Group does not bear any underlying insurance risk, is recognised in line with the incidence of this risk

u) Contingent liabilities

Contingent liabilities are not recognised because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group A contingent liability is not recognised as a liability but only disclosed However, provisions are recognised (assuming that a reliable estimate can be made) if they are current obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations

v) Critical accounting estimates, and judgements in applying accounting policies

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

Fair value

Fair value of financial instruments is based on their quoted price in an active market (including recent market transactions) at balance sheet date without any deduction for transaction cost If a quoted market price is not available, the fair value of the instrument is estimated using valuation techniques Valuation techniques include recent arm's length prices, comparison to similar instruments for which market observable prices exist, valuation models or discounted cash flow techniques

The best evidence of fair value of a financial instrument at initial recognition is the transaction price unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i e without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets

Where the input parameters cannot be validated using observable market data, reserves are established for unrealised gains or losses evident at the inception of the contracts so that no gain or loss is recorded at inception Such reserves are amortised to income over the life of the instrument or released into income when observable market data becomes available

For subsequent measurement of financial assets or financial liabilities at fair value through profit or loss, the Group fair values such assets/liabilities using bid or offer rates

Litigation contingencies

A contingency is an existing condition that involves a degree of uncertainty that will ultimately be resolved upon the occurrence of future events From time to time, the Group and its subsidiaries are involved in a variety of legal, regulatory and arbitration matters in connection with the conduct of our businesses It is inherently difficult to predict the outcome of many of these matters, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims

2. Significant accounting policies (continued)

v) Critical accounting estimates, and judgements in applying accounting policies (continued)

Litigation contingencies (continued)

In presenting our consolidated financial statements, management makes estimates regarding the outcome of legal, regulatory and arbitration matters and takes a charge to income when losses with respect to such matters are probable and can be reasonably estimated Charges, other than those taken periodically for costs of defence, are not established for matters when losses cannot be reasonably estimated

Estimates, by their nature, are based on judgement and currently available information and involve a variety of factors, including but not limited to the type and nature of the litigation, claim or proceeding, the progress of the matter, the advice of legal counsel and other advisers, our defences and our experience in similar cases or proceedings According to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision shall be recognised when (a) an entity has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (c) a reliable estimate can be made of the amount of the obligation

Income taxes

Tax contingencies

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

Loan loss allowance

The Group reviews its loans and receivables on an on-going basis to assess the level of impairment Future cash flows are estimated on the basis of the contractual cash flows of the assets and historical loss experience Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently

3. Interest income

	Group	
	2011	2010
	US$'000	US$'000
Interest income on hire purchase agreements	3,368	7,658
Interest income on money market deposits	86,292	125,614
Total interest and dividend income	**89,660**	**133,272**

4. Finance cost

	Group	
	2011	2010
	US$'000	US$'000
Interest expense on borrowings	90,062	131,064
Total finance cost	**90,062**	**131,064**

All finance cost relates to financial liabilities that are not recognised at fair value through profit or loss

5. Gain on financial instruments

	Group	
	2011	2010
	US$'000	US$'000
Gain on derivatives	405	1,278
Total gain on financial instruments	**405**	**1,278**

6 Other income

	Group	
	2011	2010
	US$'000	US$'000
Foreign exchange gains	1	3,518
Document fee	267	769
Insurance income	124	255
Miscellaneous other revenue	-	81
Profit on sale of investment in partnerships	60	-
Total other income	**452**	**4,623**

7. Administrative and Other expenses

	Group	
	2011	2010
	US$'000	US$'000
Audit fees	142	148
Bad debt expense	1,984	4,175
Dealer commission	755	1,980
Legal and professional fees	32	101
Credit assessment cost	34	44
General office expenses	2,832	4,734
Total administrative expenses	**5,779**	**11,182**
Foreign exchange losses	5	-
Loss on disposal of investment	179	-
Total other expenses	**184**	-

Audit fees payable of US$ 12,000 (2010 US$14,000) was incurred by the Company for the year

8. Income tax

	Group	
	2011	2010
Current tax	US$'000	US$'000
Current tax on loss for the year	(3,679)	64
Adjustments in respect of previous periods	(1,028)	1,324
Total current tax	**(4,707)**	**1,388**
Deferred Tax		
Origination and reversal of temporary differences	6,723	6,374
Adjustments in respect of previous periods	30	(4,614)
Effect on deferred tax resulting from changes to tax rates	5,182	2,751
Total deferred tax	**11,935**	**4,511**
Income tax expense	**7,228**	**5,899**

The UK corporation tax rate reduced from 28% to 26% effective from 1 April 2011

8 Income tax (continued)

The income tax charge for the year can be reconciled to the loss per the statement of comprehensive income as follows

	Group	
	2011	**2010**
	US$'000	**US$'000**
Loss before tax	**(8,166)**	**(11,884)**
Loss before tax multiplied by the UK statutory rate of corporation tax at the rate of 26 5% (2010 28%)	(2,157)	(3,327)
Tax effect of expenses that are non-deductible in determining taxable profit		-
Other non-taxable income	(16)	(466)
Other permanent differences	1,294	3,534
Adjustments to current tax in respect of previous periods	(1,028)	1,324
Adjustments to deferred tax in respect of previous periods	30	(4,614)
Group relief claimed for nil consideration	(3,556)	(19,460)
Effect on deferred tax resulting from changes to tax rates	5,182	2,751
Deferred tax not recognised in the period	7,479	26,157
Income tax expense	**7,228**	**5,899**

The deferred tax balance as at 31 December 2011 has been calculated using a tax rate of 25% (2010 27%) being the tax rate which was enacted at the balance sheet date

	Group	
	2011	**2010**
	US$'000	**US$'000**
Deferred tax liabilities	(43)	(58)
Deferred tax assets	63,210	75,161
Net position	**63,167**	**75,103**

The movement for the year on the deferred tax position was as follows

	Group	
	2011	**2010**
	US$'000	**US$'000**
As at 1 January	75,103	79,614
Charge to income for the year	(6,724)	(6,374)
Adjustments in respect of previous periods	(30)	4,614
Effect on deferred tax resulting from changes to tax rates	(5,182)	(2,751)
At 31 December	**63,167**	**75,103**

8. Income tax (continued)

Deferred tax assets and liabilities of the Group are attributable to the following items

	Group	
	2011	**2010**
	US$'000	**US$'000**
Deferred tax liabilities		
Other short term temporary differences	(43)	(58)
At end of year	**(43)**	**(58)**
Deferred tax assets		
Financial instruments	11,831	16,002
Tax loss carry forwards	51,379	59,159
At end of year	**63,210**	**75,161**

The deferred tax expense in the income statement comprises the following

Financial instruments	4,170	(1,131)
Tax loss carry forwards	7,780	5,656
Other short term temporary differences	(15)	(14)
At end of year	**11,935**	**4,511**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority

Deferred tax assets and liabilities are recognised to reflect the estimated amounts of income tax recoverable/payable in future periods in respect of temporary differences and unused carry forward of tax losses For temporary differences, a deferred tax asset is recognised to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilised Similarly, a deferred tax asset is recognised on unused carry forward tax losses to the extent that it is probable that future taxable profits will be available against which the unused carry forward tax losses can be utilised The total amount of deferred tax assets of $ 63,210,000 (2010 $75,161,000) is considered recoverable as the Group is expected to receive the benefit of any reversal of the deductible temporary differences, either against future taxable profits or by surrendering tax losses as group relief The Group will receive full consideration for any group relief surrendered

Deferred taxes not recognised

Deferred tax assets are recognised on deductible temporary differences and tax loss carry forwards only to the extent that realisation of the related tax benefit is probable A deferred tax asset has not been recognised on tax loss carry forwards of $ 620,740,000 (2010 $604,408,000), capital losses of $ 1,023,027,000 (2010 $1,027,700,000) and short term temporary differences of $ 3,238,000 (2010 $3,741,000) The benefit of the tax losses has not been recognised in these financial statements due to the uncertainty of their recoverability The losses carried forward have no expiry date

On 23 March 2011, the Government announced that the corporation tax rate applicable from 1 April 2011 would be 26% This change was substantively enacted on 29 March 2011 The enacted reduction in the UK corporation tax rate from 28% to 27% with effect from 1 April 2011 had been incorporated in the Group's deferred tax calculations as at 31 December 2010 In addition, the Finance Act 2011, which passed into law on 19 July 2011, included a further reduction in the UK corporation tax rate from 26% to 25% with effect from 1 April 2012 The change in the UK corporation

8. Income tax (continued)

tax rate from 27% to 25% has resulted in a reduction of the Group's net deferred tax asset as at 31 December 2011 of $ 5,182,000

On 21 March 2012, the Government further announced that the corporation tax rate applicable from 1 April 2012 would be 24% and that there will be further proposed reductions in the UK corporation tax rate by 1% per annum to 22% by 1 April 2014

The rate reduction to 24% was substantively enacted on 26 March 2012 and the reduction to 23% was substantively enacted on 3 July 2012 If the reduction in the UK corporation tax rate from 25% to 23% had been substantively enacted as at the balance sheet date of 31 December 2011, it would have had the effect of reducing the net deferred tax asset by $5,053,000

The proposed further reduction in the UK corporation tax rate to 22% by 1 April 2014 is expected to be substantively enacted in 2013

9. Loans and receivables

	Group	
	2011	**2010**
	US$'000	**US$'000**
Customer loans and receivables	11,350	30,574
Total loans and receivables	**11,350**	**30,574**

Customer loans and receivables refer to the hire purchase contracts The contractual maturity of the Group's loans and receivables is set out in the table below

	Group	
	2011	**2010**
	US$'000	**US$'000**
Current		
Within one year	9,438	17,646
Total current	**9,438**	**17,646**
One to two years	1,912	10,061
Two to three years	-	2,867
Total non-current	**1,912**	**12,928**
Total loans and receivables	**11,350**	**30,574**

The effective interest rate on loans and receivable was 8 2% (2010 11 8%) and the average maturity was 11 months (2010 11 months)

10. Investment in subsidiaries

	Company	
	2011	**2010**
	US$'000	**US$'000**
As at 1 January	11,347,226	11,347,226
As at 31 December	**11,347,226**	**11,347,226**

10. Investment ın subsıdıaries (continued)

Subsidiary	Actıvıty	% holdıng
DLJ Internatıonal Group Lımıted	Investment holdıng company	100
Credıt Suısse BG Strategy Investments (UK)	Investment holdıng company	100
DLJ Group	Investment holdıng company	Indırect
DLJ Investment Partner II Lımıted	Lımıted partner ın limited partnershıp	Indırect
DLJ UK Holdıng	Investment company	Indırect
DLJIS Holdıngs Lımıted	Investment holdıng company	Indırect
Park Acquısıtıons Lımıted	Investment holdıng company	Indırect
Park Fınance Holdıngs Lımıted	Investment holdıng company	Indırect
Park Motor Fınance Lımıted	Provısıon of condıtıonal sale finance	Indırect
Gateway Credıt Lımıted	Provısıon of condıtıonal sale finance	Indırect
Park Personal Loans Lımıted	Provısıon of personal loans	Indırect

All the above subsıdıarıes are ıncluded ın the consolıdated group

Donaldson, Lufkın & Jenrette Internatıonal, a subsıdıary of DLJ Internatıonal Group Lımıted, has been dıssolved on 13 December 2011

The ıssued share capıtal of the above undertakıngs, ıncorporated ın England and Wales, ıs wholly owned by the Company (unless otherwıse ındıcated)

The Company ıs a subsıdıary undertakıng of Credıt Suısse AG whıch ıs ıncorporated ın Swıtzerland The ultımate holdıng company ıs Credıt Suısse Group AG whıch ıs ıncorporated ın Swıtzerland

Copıes of group fınancıal statements of the parent undertakıng and of the ultımate holdıng company, whıch are those of the smallest and largest groups ın whıch the results of the Company are consolıdated, are avaılable to the publıc and may be obtaıned from The Regıstrar of Companıes, Companıes House, Crown Way, Maındy, Cardıff, CF14 3UX and Credıt Suısse Group, Paradeplatz, P O Box 1, 8070 Zurıch, respectıvely

11. Other investments

	Group	
	2011	**2010**
	US$'000	**US$'000**
As at 1 January	4,893	4,714
Investment ın Crosshıll Fınance Lımıted	-	1,843
Impaırment durıng the year	-	(1,664)
Dısposal of ınvestments	(179)	-
Total other investments	**4,714**	**4,893**

DLJ Internatıonal Group Lımıted held 9 99% of the share capıtal of a thırd party entıty, Crosshıll Fınance Lımıted, wıth a carryıng value of US$ 179,257 as at the begınnıng of the year Durıng 2011, the entıre ınvestment was dısposed of

The Group's subsıdıary, DLJ Internatıonal Group Lımıted, has a 17% holdıng (2010 17%) of Class B and Class C shares (0% of Class A shares) of DLJ Managed Plans Corporatıon

As a Class B and Class C shareholder of the Plan, DLJ Internatıonal Group Lımıted ıs entıtled to the followıng rıghts

- 17% (2010 17%) of the votıng rıghts of the Plan,
- The rıght to appoınt 1 (2010 1) of the 5 dırectors of the Plan,
- Fıxed dıvıdend rıghts based on any profits (but not losses) of the Plan, and
- Preferentıal rıghts to the net assets of the Plan on lıquıdatıon over the Class A shareholders

12 Investment in associate, designated at fair value through profit or loss

	Group	
	2011	2010
	US$'000	US$'000
Credit Suisse Shimada Investments (Gibraltar)	3,038,248	2,899,379
Total investment in associates	**3,038,248**	**2,899,379**

As a Class B shareholder of Credit Suisse Shimada Investments (Gibraltar), DLJ International Group Limited is entitled to 30% of all the votes available to be exercised, holding 90 1% of the capital The Class A shareholder is entitled to the remaining 70% voting interest and has control over the financial and operating policies, and decision making capabilities

The Group's share of loss (net of income tax) of Credit Suisse Shimada Investments (Gibraltar) during the year was US$ 2,658,000 (2010 US$7,259,000)

Summary of financial information for equity accounted method for associate entities, not adjusted for the percentage ownership held by the Group

	2011	2010
	US$'000	US$'000
Assets and liabilities		
Total assets	3,372,574	3,241,929
Total liabilities	74	23,575
Results		
Loss after taxation	(2,950)	(8,058)

13. Inventories

	Group	
	2011	2010
	US$'000	US$'000
Repossessed vehicles held for sale at auction	37	87
Total inventories	**37**	**87**

14. Trade and other receivables

	Group		Company	
	2011	2010	2011	2010
Non-current	US$'000	US$'000	US$'000	US$'000
Receivables from related companies	11,398,110	9,028,277	-	-
Total trade and other receivables (non-current)	**11,398,110**	**9,028,277**	**-**	**-**
Current				
Receivables from related companies	33,829	2,440,167	493	33,007
Group relief receivables	4,763	35	-	493
Prepayments	324	1,109	-	-
Accrued interest receivable from related companies	107	281	-	1
Miscellaneous receivables	50	68	-	-
Total trade and other receivables (current)	**39,073**	**2,441,660**	**493**	**33,501**

14 Trade and other receivables (continued)

The carrying value of trade and other receivables approximates fair value due to the short-term nature of these assets

The interest bearing balances pertained to the money market deposits, their balances, effective interest rate and average maturity are as follows

	Group Balances	Effective interest rates	Average Maturity
2011			
USD money market deposits	US$ 11,430,758,000	1 00%	1,028 days
2010			
USD money market deposits	US$ 11,468,114,000	1 09%	581 days

The rest of the receivables are non interest bearing and repayable on demand

On 24 August 2011, pursuant to various novation and security agreements, the deposits and charges which CS BG Strategy, DLJ Group and DLJ UK Holding held separately with Credit Suisse AG, London Branch in order to support the obligations of the Company under the Loan Agreements were novated to and/or secured in favour of Credit Suisse International, which became a new lender to the Company following the novation of all rights and obligations under the Loan Agreements from Credit Suisse AG, London Branch to Credit Suisse International

15. Derivative financial instruments

The following table sets forth details of trading and hedging derivatives instruments

31 December 2011	**Trading**		
	Notional amount US$'000	**Positive replacement value US$'000**	**Negative replacement value US$'000**
Interest rate swaps	3,140	-	60
Total derivative instruments	**3,140**	**-**	**60**

31 December 2010	**Trading**		
	Notional amount US$'000	**Positive replacement value US$'000**	**Negative replacement value US$'000**
Interest rate swaps	13,630	-	451
Total derivative instruments	**13,630**	**-**	**451**

The currency exposure, contractual repricing and maturity on the derivative instruments are as follows

31 December 2011	**Notional amount '000**	**Maturity**	**Contractual repricing period (if applicable)**
Interest rate swap	GBP 2,317	5 June 2012	1M GBP Libor

31 December 2010	**Notional amount '000**	**Maturity**	**Contractual repricing period (if applicable)**
Interest rate swap	GBP 8,791	5 June 2012	1M GBP Libor

16 Cash and cash equivalents

	Group		Company	
	2011	2010	2011	2010
	US$'000	US$'000	US$'000	US$'000
Cash at bank	73,996	4,014	71,504	16
Short term money market deposits	353,465	345,272	-	1,000
Total cash and cash equivalents	**427,461**	**349,286**	**71,504**	**1,016**

The fair value of cash and cash equivalents equals book value

On 24 August 2011, pursuant to various novation and security agreements, the deposits and charges which CS BG Strategy, DLJ Group and DLJ UK Holding held separately with Credit Suisse AG, London Branch in order to support the obligations of the Company under the Loan Agreements were novated to and/or secured in favour of Credit Suisse International, which became a new lender to the Company following the novation of all rights and obligations under the Loan Agreements from Credit Suisse AG, London Branch to Credit Suisse International

17. Tax receivable

	Group	
	2011	2010
	US$'000	US$'000
Tax receivable	130	130
Total tax receivable	**130**	**130**

18 Borrowings

	Group		Company	
	2011	2010	2011	2010
	US$'000	US$'000	US$'000	US$'000
Non-current				
Amounts due to related companies	10,984,473	9,028,277	10,984,473	9,028,277
Total borrowings (non-current)	**10,984,473**	**9,028,277**	**10,984,473**	**9,028,277**
Current				
Amounts due to related companies	22,827	2,019,992	-	1,978,055
Interest accrued on amounts owed to related companies	14	17	-	-
Total borrowings (current)	**22,841**	**2,020,009**	**-**	**1,978,055**

The effective interest rate and contractual repricing period for the USD and GBP loans are as follows

	Group Balances '000	Effective interest rates	Contractual repricing period (if applicable)
2011			
USD loans	US$ 1,956,196	0 29%	Every month
USD loans	US$ 9,028,277	1 13%	Every 12 months
GBP loans	GBP 14,799	0 75%	Every month
2010			
USD loans	US$ 1,978,055	0 57%	Every month
USD loans	US$ 9,028,277	0 78%	Every 12 months
GBP loans	GBP 27,059	0 56%	Every month

The carrying value approximates the fair value of borrowings

18. Borrowings (continued)

On 24 August 2011, as per novation and amendment agreements between the Company, Credit Suisse AG, London Branch and Credit Suisse International, the outstanding loan amounts under the loans made to the Company by Credit Suisse AG, London Branch under the Loan Agreements were transferred to Credit Suisse International and all rights and obligations of Credit Suisse AG, London Branch under the Loan Agreements were novated to Credit Suisse International

19. Bank overdrafts

	Group		Company	
	2011	2010	2011	2010
	US$'000	US$'000	US$'000	US$'000
Bank overdrafts	555	1,040	18	1,021
Total bank overdrafts	**555**	**1,040**	**18**	**1,021**

The fair value of bank overdraft equals book value All bank overdrafts are repayable on demand

20. Trade and other payables

	Group		Company	
	2011	2010	2011	2010
Non-current	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Accrued expenses	-	310	-	-
Payables to related companies	511,403	-	-	-
Total trade and other payables (non-current)	**511,403**	**310**	**-**	**-**
Current				
Payables to related companies	539,030	982,146	539,094	463,671
Accrued interest payable to related companies	1,567	1,165	1,551	1,146
Accrued expenses	1,003	878	11	14
Total trade and other payables (current)	**541,600**	**984,189**	**540,656**	**464,831**

The carrying value of trade and other payables approximates the fair value due to the short-term nature of these liabilities

The interest bearing balances pertaining to the money market loans, their balances, effective interest rate and average maturity are as follows

	Group Balances	Effective interest rates	Average Maturity
2011			
USD money market loans	US$1,050,148,000	0 58%	56 days
2010			
USD money market loans	US$982,126,000	0 50%	21 days

The rest of the payables are non interest bearing and repayable on demand

21. Share capital

	Group and Company	
	2011	2010
	US$'000	US$'000
Authorised:		
Equity		
500,000,000 Ordinary Shares of US$1 each	500,000	500,000
Allotted, called up and fully paid:		
115,978,421 Ordinary Shares of US$1 each	115,978	115,978

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

No share capital was issued during the year (2010 US$Nil)

Capital management

The Board's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business

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 include 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

22 Translation and Capital reserve

Translation reserve

The translation reserve represents exchange differences arising from the translation of the financial statements of its subsidiaries and associates whose functional currency is different from that of the Group's reporting currency

	Group and Company	
	2011	2010
	US$'000	US$'000
At 1 January	929,866	550,531
Net effect of exchange differences arising from translation of financial statements of its subsidiaries and associates	141,639	379,335
At 31 December	**1,071,505**	**929,866**

Capital reserve

In 2008, US$221,807,000 was transferred to capital reserve The Group recognised a capital reserve of US$230,932,000 which represents the net gain on deemed disposal of the net assets of DLJ Group (US$238,840,000 gain) and DLJ Investment Partner II Limited (US$7,908,000 loss) resulting from the additional issuance of shares by DLJ Group to a related party Also, the Group recognised a negative capital reserve of US$9,125,000 representing the excess of cost of acquisition over the net assets acquired from minority interest of Park Acquisitions Limited amounting to US$8,191,000 and excess of net assets acquired over the cost of investment in Credit Suisse BG Strategy Investments (UK), formerly known as LG/SL (Property Management) amounting to US$934,000

23. Related party transactions

The Company is wholly owned by Credit Suisse AG, incorporated in Switzerland The ultimate parent of the Company is Credit Suisse Group AG, which is incorporated in Switzerland

The Group is involved in significant financing and other transactions, and has significant related party balances, with subsidiaries and affiliates of Credit Suisse Group AG The Group 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

a) Group related party assets and liabilities

	Group					
	2011			2010		
	Parent	Fellow group companies	Associates	Parent	Fellow group companies	Associates
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
ASSETS						
Non-current assets						
Other investments	-	4,714	-	-	4,714	-
Investment in associate	-	-	3,038,248	-	-	2,899,379
Trade and other receivables		11,398,110	-	9,028,277	-	-
Total non-current assets	**-**	**11,402,824**	**3,038,248**	**9,028,277**	**4,714**	**2,899,379**
Current assets						
Trade and other receivables	32,668	1,304	13	2,440,314	166	-
Group relief receivables	-	4,763	-	-	35	-
Cash and cash equivalents	417,010	8,258	-	345,735	-	-
Total current assets	**449,678**	**14,325**	**13**	**2,786,049**	**201**	**-**
Total related party assets	**449,678**	**11,417,149**	**3,038,261**	**11,814,326**	**4,915**	**2,899,379**
LIABILITIES						
Non-current liabilities						
Borrowings	-	10,984,473	-	9,028,277	-	-
Trade and other payables	-	511,403				
Total non-current liabilities	**-**	**11,495,876**	**-**	**9,028,277**	**-**	**-**
Current liabilities						
Bank overdraft	555	-	-	1,040	-	-
Trade and other payables	539,600	648	349	983,309	2	-
Derivative financial instruments	-	60	-	-	451	-
Borrowings	22,841	-	-	2,020,009	-	-
Total current liabilities	**562,996**	**708**	**349**	**3,004,358**	**453**	**-**
Total related party liabilities	**562,996**	**11,496,584**	**349**	**12,032,635**	**453**	**-**

23. Related party transactions (continued)

b) Company related party assets and liabilities

	Company					
	2011			2010		
	Parent	Fellow group companies	Subsidiaries	Parent	Fellow group companies	Subsidiaries
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
ASSETS						
Non-current assets						
Investment in subsidiaries	-	-	11,347,226	-	-	11,347,226
Total non-current assets	**-**	**-**	**11,347,226**	**-**	**-**	**11,347,226**
Current assets						
Receivables from related companies	-	493	-	33,008	-	-
Group relief receivable	-	-	-	-	493	-
Cash and cash equivalents	71,504	-	-	1,016	-	-
Total current assets	**71,504**	**493**	**-**	**34,024**	**493**	**-**
Total related party assets	**71,504**	**493**	**11,347,226**	**34,024**	**493**	**11,347,226**
LIABILITIES						
Current liabilities						
Bank overdraft	18	-	-	1,021	-	-
Borrowings	-	-	-	1,978,055	-	-
Trade and other payables	539,651	978	16	464,817	-	-
Total current liabilities	**539,669**	**978**	**16**	**2,443,893**	**-**	**-**
Non-current liabilities						
Borrowings	-	10,984,473	-	9,028,277	-	-
Total non-current liabilities	**-**	**10,984,473**	**-**	**9,028,277**	**-**	**-**
Total related party liabilities	**539,669**	**10,985,451**	**16**	**11,472,170**	**-**	**-**

c) Group related party revenues and expenses

	Group					
	2011			2010		
	Parent	Fellow group companies	Associates	Parent	Fellow group companies	Associates
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Interest income	57,241	29,051	-	125,614	-	-
Finance cost	(60,866)	(29,196)	-	(131,064)	-	-
Administrative expenses	-	-	-	-	-	(311)
Gain on derivative instruments	-	405	-	-	1,278	-
Share of loss of equity accounted investee (net of income tax)	-	-	(2,658)	-	-	(7,259)
Total net related party expenses	**(3,625)**	**260**	**(2,658)**	**(5,450)**	**1,278**	**(7,570)**

23 Related party transactions (continued)

d) Company related party revenues and expenses

	Company					
	2011			2010		
	Parent	Fellow group companies	Subsidiaries	Parent	Fellow group companies	Subsidiaries
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Interest income	118	30	-	66	-	-
Dividend income	-	-	71,490	-	-	113,964
Finance costs	(58,367)	(28,390)	-	(127,920)	-	-
Administrative expenses	-	(349)	-	-	(311)	-
Total net related party expenses	**(58,249)**	**(28,709)**	**71,490**	**(127,854)**	**(311)**	**113,964**

e) 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 (2010 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

f) Loans and advances to directors and key management personnel

There were no loans or advances made to directors or key management personnel during the period (2010 US$Nil)

g) Liabilities due to pension funds

The Group does not have any liabilities with regard to pension funds

24. Employees benefits

The average number of persons employed during the year was Nil (2010 Nil)

The Group receives a range of administrative services from related companies within the Credit Suisse group The headcount related to these services cannot be accurately ascertained and is not therefore included in the above numbers

25. Financial risk management

The Group's activities expose it to a variety of financial risks market risk (including foreign exchange risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance

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

25. Financial risk management (continued)

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

i) Cash flow and interest rate risk

The Company and Group have interest bearing assets and liabilities which exposes the Company and Group to interest rate risk

The Company's interest rate risk arises from borrowings The Group's interest rate risk arises from short-term bank deposits and from borrowings Deposits that are placed at variable rates expose the Group to cash flow interest rate risk Deposits at fixed rates expose the Group to fair value interest rate risk

The Group's other expenses and operating cash flows are substantially independent of changes in market interest rates

ii) Foreign exchange risk

Foreign exchange risk arises when future transactions, recognised assets and liabilities are denominated in a currency that is not the Company's and the subsidiaries' functional currency Foreign currency translation risk is not included Credit Suisse Group Treasury is responsible for managing the net position in each foreign currency by using external forward currency contracts

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

The Group had the following assets and liabilities denominated in currencies other than US$ In 2011, the majority of these assets and liabilities are denominated in GBP and JPY (2010 GBP and JPY)

	Group			
	GBP '000	**EUR '000**	**JPY '000**	**ZAR '000**
2011				
Assets				
Loans and receivables	7,354	-	-	-
Inventories	24	-	-	-
Trade and other receivables	301	-	-	-
Tax receivable	85	-	-	-
Cash and cash equivalents	1,505	13	1,288	1
Total	**9,269**	**13**	**1,288**	**1**
Liabilities				
Borrowings	14,799	-	-	
Trade and other payables	632	-	27,066	-
Derivative financial instruments	39	-	-	-
Bank Overdraft	18	-	84	-
Total	**15,488**	**-**	**27,150**	**-**

25. Financial risk management (continued)

a) Market risk (continued)

ii) Foreign exchange risk (continued)

	Group			
	GBP '000	**EUR '000**	**JPY '000**	**ZAR '000**
2010				
Assets				
Loans and receivables	19,719	-	-	-
Inventories	56	-	-	-
Trade and other receivables	831	-	-	-
Tax receivable	84	-	-	-
Cash and cash equivalents	2,335	12	1,366	1
Total	**23,025**	**12**	**1,366**	**1**
Liabilities				
Borrowings	27,059	-	-	
Trade and other payables	745	-	1,288	1
Derivative financial instruments	291	-	-	-
Bank Overdraft	14	-	27	-
Total	**28,109**	**-**	**1,315**	**1**

The sensitivity analysis, which is for illustrative purposes only, 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 turn out due to the inherent uncertainties in global financial markets In practice, market risks rarely change in isolation and are likely to be interdependent The methods and assumptions used are the same for both reporting periods

Changes in exchange rates assume an instantaneous increase or decrease of 25% for foreign currency to USD rates at the reporting date, with all other variables remaining constant

2011	**Group GBP Impact**	
	+25%	**-25%**
	US$'000	**US$'000**
Change in equity and income or loss with foreign currency fluctuation	(2,400)	2,400
Total	**(2,400)**	**2,400**

2010	**GBP Impact**	
	+25%	**-25%**
	US$'000	**US$'000**
Change in equity and income or loss with foreign currency fluctuation	(1,971)	1,971
Total	**(1,971)**	**1,971**

25. Financial risk management (continued)

b) Credit risk

The Group is exposed to credit risk from other Credit Suisse group companies and external counterparties Cash transactions are limited to fellow group companies and high-credit-quality financial institutions The Group has policies that limit the amount of credit exposure to any financial institution

The Group has policies in place to ensure that provision of services is made only to customers with an appropriate credit history These include a credit request and approval process, ongoing credit and counterparty monitoring and a credit quality review process

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

The Group takes on exposure to credit risk in respect of loans and receivables and cash equivalents To mitigate the credit risk of the loans and receivables, at the time a loan is approved, management obtained appropriate evidence that direct repayment customers are all in employment, have bank accounts and have a direct debit facility in place All applications for direct repayment credit are initially screened centrally using a score card, which has been developed over many years in conjunction with a leading credit reference agency and ensures consistency of underwriting decisions Applications which successfully pass this screening are then subject to a rigorous pre-lending process, including the verification of information provided by potential customers and an assessment of other financial commitments which the applicant may have, in order to confirm that the loan is both appropriate and affordable The Group only deposits cash with reputable banks of good credit rating The Group monitors these banks for any changes to their credit rating

Maximum exposure to credit risk before collateral held or other credit enhancements

The maximum exposure to credit risk is set out in the table below

	Group	
	2011	**2010**
	US$'000	**US$'000**
Loans and receivables	11,350	30,574
Trade and other receivables	11,437,182	11,469,937
Cash and cash equivalents	427,461	349,286
	11,875,993	**11,849,797**

Credit quality

A summary of the arrears status of the Group's loans and receivables by class is shown below as at 31 December 2011 and 2010

	Group	
	2011	**2010**
	US$'000	**US$'000**
Performing	6,498	19,573
Past due but not impaired	1,486	4,743
Impaired	3,366	6,258
	11,350	**30,574**

25. Financial risk management (continued)

b) Credit risk (continued)

Loans and receivables – past due but not impaired

	Group 2011 US$'000	Group 2010 US$'000
Past due up to 29 days	350	1,198
Past due 30-59 days	661	2,020
Past due 60-89 days	475	1,525
	1,486	**4,743**

Distribution of Trade and other receivables and
Cash and cash equivalents neither past due nor impaired

	Banks 2011 US$'000	Banks 2010 US$'000
- AAA	-	-
- AA+ to AA-	-	-
- A+ to A-	11,868,126	11,814,563
- BBB+ to BBB-	-	-
- BB+ to BB-	-	-
- B+ and below	-	-
Total	**11,868,126**	**11,814,563**

The above balance does not include loans and receivables of US$ 11,350,000 (2010 US$ 30,574,000) and trade and other receivables of US$ 324,000 (2010 US$ 1,109,000) facing third parties

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to meet obligations as they fall due

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

	On demand US$'000	Due within 3 months US$'000	Due between 3 and 12 months US$'000	Due between 1 and 5 years US$'000	Due after 5 years US$'000	Total US$'000
Group 2011						
Borrowings	22,841	-	-	10,984,473	-	11,007,314
Trade and other payables	974	540,626	-	511,403	-	1,053,003
Bank overdraft	555	-	-	-	-	555
Derivative financial instruments	60	-	-	-	-	60
Total financial liabilities	**24,430**	**540,626**	**-**	**11,495,876**	**-**	**12,060,932**

25. Financial risk management (continued)

c) Liquidity risk (continued)

	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 and 5 years	Due after 5 years	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group 2010						
Borrowings	41,954	1,978,055	-	9,028,277	-	11,048,286
Trade and other payables	780	983,409	-	310	-	984,499
Bank overdraft	1,040	-	-	-	-	1,040
Derivative financial instruments	451	-	-	-	-	451
Total financial liabilities	**44,225**	**2,961,464**	**-**	**9,028,587**	**-**	**12,034,276**

d) Corporate asset and liability management

The Group Treasury department at Credit Suisse also oversees corporate policy with respect to interest rate and foreign exchange exposure, as well as a range of other important policy areas including debt maturity profile, internal and external capitalisation and intercompany funding Credit Suisse minimises interest rate and foreign currency exposures from a corporate perspective Business divisions are authorised to take such risks as part of their business strategies, within limits set by the Capital Allocation and Risk Management Committee ("CARMC")

26. Fair values of financial assets and liabilities

Financial instruments comprise financial assets and financial liabilities The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale The information presented herein represents estimates of fair values as at the statement of financial position date

Quoted and observable market prices, where available, are used as the measure of fair values In cases where quoted and observable market prices are not available, various methodologies have been used to estimate what the approximate fair values of such instruments might be These methodologies involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash lows and other factors Changes in the uncertainties and assumptions could significantly affect these estimates and the resulting fair value estimates

The table below analyses financial instruments carried at fair value, by valuation method The different levels have been defined as follows

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group 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 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)

26. Fair values of financial assets and liabilities (continued)

The Group records net open positions at bid prices if long, or at ask prices if short, unless the Group is a market maker in such positions, in which case mid-pricing is utilised Fair value measurements are not adjusted for transaction costs

The levels in the fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured in the statement of financial position are as follows

As at 31 December 2011				
USD'000	**2011**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	60	-	60	-
Total liabilities at fair value	**60**	**-**	**60**	**-**

As at 31 December 2010				
USD'000	**2010**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	451	-	451	-
Total assets at fair value	**451**	**-**	**451**	**-**

27. Subsequent events

On 13 March 2012, DLJIS Holdings Limited, a subsidiary of DLJ International Group Limited, has been dissolved

On 21 March 2012, the Government announced that the corporation tax rate applicable from 1 April 2012 would be 24% and that there will be further proposed reductions in the UK corporation tax rate by 1% per annum to 22% by 1 April 2014 The reduction to 24% was substantively enacted on 26 March 2012 and the reduction to 23% was substantively enacted on 3 July 2012

On 16 July 2012, DLJ International Group Limited has sold its entire shareholding in Park Acquisitions Limited (PAL), for a consideration of GBP 749,725, to a third party PAL is the holding company for Park Finance Holdings Limited, Park Motor Finance Limited, Gateway Credit Limited and Park Personal Loans Limited

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