

LG/SL (H INVESTMENT) LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006

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COMPANIES HOUSE

LG/SL (H INVESTMENT) LIMITED



BOARD OF DIRECTORS

|                  |  |
|------------------|--|
| Marc J Adam      | Director                               |
| Kevin J Burrowes | Director                               |
| Kevin L Studd    | Director                               |
| Gillian McMillan | Alternate Director to Kevin J Burrowes |

COMPANY SECRETARY

|             |           |
|-------------|-----------|
| Paul E Hare | Secretary |
|-------------|-----------|

Company Registration Number 3468246

## LG/SL (H INVESTMENT) LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the financial statements for the year ended 31 December 2006

#### Activities

LG/SL (H Investment) Limited's purpose was property investment. As of 10 October 2001 the Company had sold all of its properties. The company remained dormant throughout the year.

#### Directors

The names of the directors as at the date of this report are set out on page 2. There were no changes to the directorate since 31 December 2005.

None of the directors was beneficially interested, at any time during the year, in the shares of the Company. A number of directors received entitlements to Credit Suisse Group Shares under long-term incentive schemes in their capacity as officers of Credit Suisse Group company.

#### Results

There was no profit or loss for the financial year (2005: £ Nil). There were no dividends paid during the year (2005: £ Nil).

#### Share Capital

During the year no additional share capital was issued (2005: £ Nil).

#### Donations

No charitable or political donations were made during the year (2005: £ Nil).

#### Auditors

The Company satisfies the provisions of *Section 249AA(1)* of the *Company Act 1985* and accordingly the Company is exempt from obligation to appoint an auditor.

#### Prompt Payment Code

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

LG/SL (H INVESTMENT) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

**International Financial Reporting Standards**

The Company's 2006 annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU)

By Order of the Board



Paul E Hare  
Secretary

One Cabot Square  
London E14 4QJ  
12 September 2007

LG/SL (H INVESTMENT) LIMITED  
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable laws.

The financial statements are required by law to present fairly the financial position and the performance of the company, the Company Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Company Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

LG/SL (H INVESTMENT) LIMITED  
BALANCE SHEET AS AT 31 DECEMBER 2006

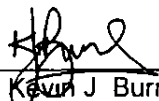
|                                   | Note | 2006<br>£ | 2005<br>£ |
|-----------------------------------|------|-----------|-----------|
| <b>ASSETS</b>                     |      |           |           |
| Current assets                    |      |           |           |
| Amounts due from related company  | 4    | <u>2</u>  | <u>2</u>  |
| <b>Net current assets</b>         |      | <u>2</u>  | <u>2</u>  |
| <b>Net assets</b>                 |      | <u>2</u>  | <u>2</u>  |
| <b>SHAREHOLDERS' EQUITY</b>       |      |           |           |
| Share Capital                     | 5    | 2         | 2         |
| Retained earnings                 |      | <u>-</u>  | <u>-</u>  |
| <b>Total shareholders' equity</b> |      | <u>2</u>  | <u>2</u>  |

The notes on pages 8 to 13 form an integral part of these financial statements

For the year ended 31 December 2006

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

Approved by the Board of Directors on 12 September 2007 and signed on its behalf by

  
Kevin J Burrowes  
Director

LG/SL (H INVESTMENT) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2006

|   | Share<br>capital | Retained<br>earnings | Total |
|---|------------------|----------------------|-------|
|   | £                | £                    | £     |
| <b>Balance at 1 January 2005 under UK GAAP</b>          | 2                | -                    | 2     |
| Changes upon transition to IFRS                         | -                | -                    | -     |
| <b>Restated balance at 1 January 2005 under IFRS</b>    | 2                | -                    | 2     |
| Profit for the year                                     | -                | -                    | -     |
| <b>Total recognised income and expense for the year</b> | -                | -                    | -     |
| <b>Balance at 31 December 2005</b>                      | 2                | -                    | 2     |

|   | Share<br>capital | Retained<br>earnings | Total |
|---|------------------|----------------------|-------|
|   | £                | £                    | £     |
| <b>Balance at 1 January 2006</b>                        | 2                | -                    | 2     |
| Profit for the year                                     | -                | -                    | -     |
| <b>Total recognised income and expense for the year</b> | -                | -                    | -     |
| <b>Balance at 31 December 2006</b>                      | 2                | -                    | 2     |

The notes on pages 8 to 13 form an integral part of these financial statements

**LG/SL (H INVESTMENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2006**

**1. General**

LG/SL (H Investment) Limited is a company domiciled in the United Kingdom. The Company was established for the purpose of property investment. As of 10 October 2001, the company had sold all of their properties. The company remained dormant throughout the year.

**2. Significant Accounting Policies**

**a) Statement of compliance**

Following the adoption of Regulation EC 1606/2002 on the 19 July 2002 by the European Parliament, the Company has elected to prepare financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) for years beginning 1 January 2006.

These are the Company's first annual financial statements under IFRS and IFRS 1 has been applied. This report therefore contains the financial results for the year ended 31 December 2006 on the basis of IFRS, and comparatives for the year ended 31 December 2005 restated to IFRS.

An explanation of how the transition to IFRS has affected the reported financial position and financial performance of the Company is provided in note 8.

**b) Basis of preparation**

The financial statements have been prepared on the basis of recognition and measurement requirements of IFRS in issue as at 31 December 2006 and endorsed by the EU.

The preparation of financial statements in conformity with 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 accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at 1 January 2005 for the purpose of the transition to IFRS. Where necessary, comparative figures have been adjusted for the impact of IFRS.

The financial statements have also been prepared in accordance with the Company Act 1985.



**LG/SL (H INVESTMENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2006**

**2. Significant Accounting Policies (continued)**

**c) Foreign currency**

The functional currency of the Company is Great Britain Pound (GBP). As transactions and receipts from operations are usually retained in GBP, the directors are of the opinion that GBP better reflects the economic substance of the underlying events and circumstances relevant to the Company.

Transactions denominated in currencies other than the functional currency of the Company are recorded by remeasuring to the functional currency of the Company at the exchange rate on the date of the transaction. At the balance sheet date, monetary assets and liabilities such as receivables and payables are reported using the spot exchange rates applicable at that date. Exchange rate differences, other than those attributable to financial instruments, are reported in the income statement. Non-monetary assets and liabilities denominated in foreign currencies at the balance sheet date are not revalued for movements in foreign exchange rates.

The financial statements are presented in Great Britain Pound (GBP).

**d) Critical accounting estimates and judgements in applying accounting policies**

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

***Fair Value***

As is the normal practice in the industry, the values the Company reports in financial statements with respect to financial instruments owned and financial instruments sold and not yet purchased are in most cases based on fair value. Fair value may be objective, as is the case for exchange-traded instruments, for which quoted prices in price-efficient and liquid markets generally exist, or as is the case where a financial instrument's fair value is derived from actively quoted prices or pricing parameters or alternative pricing sources with a reasonable level of price transparency. For financial instruments that trade infrequently and have little price transparency, fair value may be subjective and require varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

**3. Tax disclosure**

**Components of tax benefit**

No current tax (2005: £ Nil) or deferred tax charge arises for the period (2005: £ Nil).

**LG/SL (H INVESTMENT) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006**
**3. Tax disclosure (continued)**
**Deferred taxes not recognised**

Deferred tax assets are recognised on deductible temporary differences, tax loss carry forwards and tax credits only to the extent that realisation of the related tax benefit is probable. Tax losses carried forward on which no deferred tax assets have been recognised is £7,732,216 (2005 £7,732,216). The deferred tax asset not recognised on these losses carried forward is £2,319,665 (2005 £2,319,665). The benefit of the tax losses carried forward has not been recognised in these financial statements due to the uncertainty of their recoverability. The tax losses carried forward have no expiry date.

**4. Amounts due from related company**

|                                  | 2006<br>£ | 2005<br>£ |
|----------------------------------|-----------|-----------|
| Amounts due from related company | <u>2</u>  | <u>2</u>  |

**5. Share Capital**

|  | 2006<br>£    | 2005<br>£    |
|--|--------------|--------------|
| Authorised<br>Equity<br>1,000 ordinary shares of £1 each                     | <u>1,000</u> | <u>1,000</u> |
| Allotted, called up and fully paid<br>Equity<br>2 ordinary shares of £1 each | <u>2</u>     | <u>2</u>     |

During the year the Company made no share issues (2005 £ Nil)

**6. Parent and Ultimate Holding Company**

The Company is a wholly owned subsidiary of LG/SL (H) Limited which forms part of the group wholly owned by LG/SL Property Holdings Limited. The ultimate holding company is Credit Suisse Group, which is incorporated in Switzerland.

Copies of group financial statements of LG/SL Property Holdings Limited and of the ultimate holding company, which are those of the smallest and largest groups in which the results of the company are consolidated, are available to the public and may be obtained from The Registrar of Company, Company House, Crown Way, Maindy, Cardiff and Credit Suisse Group, Paradeplatz, P.O. Box 1, 8070 Zurich respectively.

**LG/SL (H INVESTMENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**  
**2006**

**7. Related Party Transactions**

LG/SL (H Investment) Limited's purpose was property investment. As of 10 October 2001 the Company had sold all of its properties.

**a) Related party asset**

|                                  | 2006<br>Parent<br>company<br>£ | 2005<br>Parent<br>company<br>£ |
|----------------------------------|--------------------------------|--------------------------------|
| <b>Current assets</b>            |                                |                                |
| Amounts due from related parties | 2                              | 2                              |
| <b>Total assets</b>              | <b>2</b>                       | <b>2</b>                       |

**b) 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 (2005 £ Nil).

All directors benefited from qualifying third party indemnity provisions.

**c) 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 (2005 £ Nil).

**d) Liabilities due to pension funds**

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

**8 Explanation of Transition to IFRS**

As stated in note 2, these are the Company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2006, the comparative information presented in these financial statements for the year ended 31 December 2005 and in the preparation of the opening IFRS balance sheet at 1 January 2005.

On transition to IFRS, an entity is required to apply IFRS retrospectively, except where an exemption is available under IFRS 1 'First-time Adoption of International Financial Reporting Standards'. The Company did not make any elections for the exemptions available.

LG/SL (H INVESTMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006



8. Explanation of Transition to IFRS (continued)

Reclassification (before remeasurement) of balances from UK GAAP to IFRS format only as at 1 January 2005

|                                   |     | UK GAAP<br>at 01/01/05<br>(£) | Reclassification and<br>restatements<br>on adoption of IFRS | IFRS at 01/01/05 in<br>Functional currency<br>(£) |
|-----------------------------------|-----|-------------------------------|---|---|
| <b>ASSETS</b>                     |     |                               |   |   |
| Current assets                    |     |                               |   |   |
| Debtors                           | (a) | 2                             | (2)   | -   |
| Amounts due from related company  | (a) | -                             | 2   | 2   |
| <b>Total assets</b>               |     | <b>2</b>                      | <b>-</b>  | <b>2</b>  |
| <b>Net assets</b>                 |     |                               |   |   |
|                                   |     | <b>2</b>                      | <b>-</b>  | <b>2</b>  |
| <b>SHAREHOLDERS' EQUITY</b>       |     |                               |   |   |
| Share capital                     |     | 2                             | -   | 2   |
| Retained earnings                 |     | -                             | -   | -   |
| <b>Total shareholders' equity</b> |     | <b>2</b>                      | <b>-</b>  | <b>2</b>  |

**LG/SL (H INVESTMENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006**

**8. Explanation of Transition to IFRS (continued)**

Reclassification (before remeasurement) of balances from UK GAAP to IFRS format only as at 31 December 2005

|                                   |     | UK GAAP<br>at 31/12/05<br>(£) | Reclassification and<br>restatements<br>on adoption of IFRS | IFRS at 31/12/05 in<br>Functional currency<br>(£) |
|-----------------------------------|-----|-------------------------------|---|---|
| <b>ASSETS</b>                     |     |                               |   |   |
| <b>Current assets</b>             |     |                               |   |   |
| Debtors                           | (a) | 2                             | (2)   | -   |
| Amounts due from related company  | (a) | -                             | 2   | 2   |
| <b>Total assets</b>               |     | <b>2</b>                      | <b>-</b>  | <b>2</b>  |
| <b>Net assets</b>                 |     |                               |   |   |
|                                   |     | <b>2</b>                      | <b>-</b>  | <b>2</b>  |
| <b>SHAREHOLDERS' EQUITY</b>       |     |                               |   |   |
| Share capital                     |     | 2                             | -   | 2   |
| Retained earnings                 |     | -                             | -   | 2   |
| <b>Total shareholders' equity</b> |     | <b>2</b>                      | <b>-</b>  | <b>2</b>  |

**Reclassification notes**

The transition to IFRS from UK GAAP has resulted in reclassification as detailed above. A summary of the differences is as follows

(a) Amounts due from related company  
Intercompany balances under IFRS (IAS 1) these have been disclosed as 'Amounts due from related company' Previously they were part of 'Debtors'