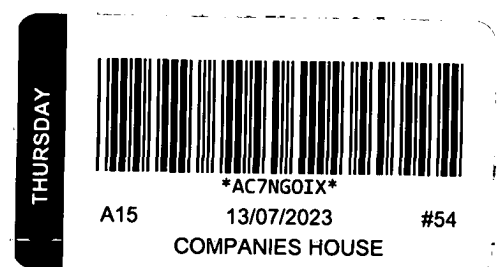


**DLJ UK PROPERTIES LIMITED**

*Annual Report*  
For the year ended 31 December 2022



<b>Table of content</b>	<b>Page(s)</b>
Company Information	3
Strategic Report for the year ended 31 December 2022	4 - 5
Directors' Report for the year ended 31 December 2022	6 - 7
Independent Auditors' Report to the members of DLJ UK Properties Limited	8 - 10
Statement of Comprehensive Income for the year ended 31 December 2022	11
Statement of Financial Position as at 31 December 2022	12
Statement of Changes in Equity for the year ended 31 December 2022	13
Statement of Cash Flows for the year ended 31 December 2022	14
Notes to the Financial Statements for the year ended 31 December 2022	15 - 29

## COMPANY INFORMATION

### Board of Directors

Paul Hare  
Hayley Marsh  
Martin Welstead

Director  
Director  
Director

### Company Secretary

Paul Hare

### Registered Office

One Cabot Square  
London E14 4QJ

### Registration number

03530382

### Independent Auditors

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT

## Strategic Report for the year ended 31 December 2022

The Directors present their Annual Report and the Financial Statements for the year ended 31 December 2022.

### Business profile

DLJ UK Properties Limited ("the Company") is a private company limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales. The Company is a wholly owned subsidiary of and controlled by DLJ UK Investment Holdings Limited, which is part of Credit Suisse AG (CS AG) and its subsidiaries (CS group). The ultimate parent of the Company is UBS Group AG, which is incorporated in Switzerland.

### Principal activities

The Company's principal activity comprises holding and renting fixed assets to related companies.

### Business review

The Company leases assets to Credit Suisse International ("CSi").

On 19 March 2023 it was announced that Credit Suisse Group AG (CSG) and UBS Group AG have entered into a merger agreement, with UBS Group AG as the surviving entity. The legal closing of the merger agreement of the two consolidated banking groups took place on 12 June 2023 and may have material impacts on the Company's future financial performance. Following the merger, CS group will continue to rely on its established governance and risk control frameworks, though some new policies will be put in place to ensure that UBS Group has effective oversight.

Apart from above, the Directors are not aware of any other significant developments or factors which will have a major impact on the continued success or operation of the business in the future.

### Section 172 Statement

The Board complies with the duty outlined in section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and having regard to the consequences of decisions and the interests of stakeholders.

The Company is part of the CS group which strives to comply with the values and standards set out in its Code of Conduct in every aspect of work, including its relationships with stakeholders. Credit Suisse AG publishes a comprehensive Corporate Responsibility Report which can be found on Credit Suisse's website at [www.credit-suisse.com/crr](http://www.credit-suisse.com/crr). Further information can also be found in Credit Suisse AG's Annual Report 2022 at [www.credit-suisse.com/about-us/en/reports-research/annual-reports.html](http://www.credit-suisse.com/about-us/en/reports-research/annual-reports.html).

### Performance

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

#### Statement of Comprehensive Income

For the year ended 31 December 2022, the Company reported a loss before tax for the year of US\$ (222)k (2021: US\$ (48)k). The loss is primarily due to interest expense and income tax charge.

#### Statement of Financial Position

As at 31 December 2022, the Company had total assets of US\$ 6,135k (2021: US\$ 7,262k), the movement is primarily due to decrease in deferred tax asset and group relief receivable.

As at 31 December 2022, the Company had total negative equity of US\$ 6,972k (2021: US\$ 6,543k).

#### Key performance indicators

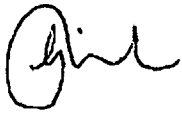
Given the straightforward nature of the business, the Company's Directors are of the opinion that there are no further key performance indicators than already disclosed in Statement of Comprehensive Income and Statement of Financial Position for an understanding of the development, performance or position of the business.

**Strategic Report for the year ended 31 December 2022**

**Principal Risks, Financial Risks and Uncertainties**

The Company holds assets mainly comprising of cash & cash equivalents facing group companies under common control. The Company is not exposed to any significant risks and uncertainties apart from what is mentioned in Note 2 - Significant Accounting Policies. The Company's financial risk management policies are outlined in note 19 to the Financial Statements.

Approved by the Board of Directors on 29 June 2023 and signed on its behalf by



Hayley Marsh  
Director

One Cabot Square  
London E14 4QJ  
29 June 2023

## Directors' Report for the year ended 31 December 2022

### International Financial Reporting Standards

The Financial Statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and the requirements of Companies Act 2006 as applicable to companies using IFRS.

The Annual Report and Financial Statements were authorised for issue by the Directors on 29 June 2023. As permitted by section 414C(11) of the Companies Act 2006, certain information is not shown in the Directors' Report because it is shown in the Strategic Report. Refer "Section 172 statement" in Strategic report.

### Going concern basis

Going concern is detailed in Note 2 – Significant Accounting Policies.

### Share capital

There were no movements in share capital during the year (2021: US\$ Nil).

### Dividends

No dividends were paid or are proposed for the year ended 31 December 2022 (2021: US\$ Nil).

### Directors

The names of the Directors as at the date of this report are set out on page 3. Changes in Directorate since 31 December 2021 to the date of this report are as follows:

Appointment	Hayley Marsh	17 March 2023
Resignation	Per Hansen	20 March 2023

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

### Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have prepared the financial statements in accordance with UK-adopted International Accounting Standards.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed and subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will continue in business.

## **Directors' Report for the year ended 31 December 2022 (continued)**

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

## **Directors' Confirmations**

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Independent Auditors**

Pursuant to Section 487 of the Companies Act 2006, PricewaterhouseCoopers LLP ('PwC') will be deemed to be reappointed and will therefore continue in office as external auditor.

## **Disclosure of Information to Auditors**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Directors to make themselves aware of relevant audit information and to establish that the Company's Auditors are aware of that information.

## **Statement on Directors' Relationships with Clients, Suppliers and Other Stakeholders**

Information pertaining to the Directors' engagement with clients, suppliers and other stakeholders can be found in the Strategic Report, paragraph 'Section 172 statement'.

## **Political Contributions**

No political donations or political expenditure was incurred during the year 2022 (2021: US\$ Nil).

## **Subsequent events**

Subsequent events following the year ended 31 December 2022 are set out in Note 20 - Subsequent events.

Approved by the Board of Directors on 29 June 2023 and signed on its behalf by:



Hayley Marsh  
Director

One Cabot Square  
London E14 4QJ  
29 June 2023

# Independent auditors' report to the members of DLJ UK Properties Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, DLJ UK Properties Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2022; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern.

On March 19 2023, Credit Suisse Group AG and UBS Group AG entered into an agreement and plan of merger ("the merger"), which was completed on June 12, 2023. At the date of approval of these financial statements, the impact of the merger on the future operation of the company has not been determined. As the surviving entity of the merger, UBS Group AG is the ultimate parent at the reporting date. The company remains a member of the group ("CS group") headed by their parent, Credit Suisse AG ("CS AG"). The company is dependent on ongoing support from other members of the CS group, in order to continue in operation. These circumstances, as more fully explained in note 2 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the ability of the company to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Company law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on

the financial statements such as Companies Act 2006 and corporate tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in determining significant accounting estimates;
- Reviewing the minutes of the Board of Directors to identify any significant or unusual transactions or other matters that could require further investigation; and
- Identifying and testing journal entries, including those posted which met our risk criteria, these included those relating to particular dates or with other unusual characteristics.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

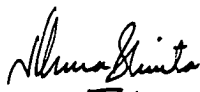
## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Amena Shaista (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
06 July 2023

**DLJ UK Properties Limited**  
**Financial Statements for the year ended 31 December 2022**

**Statement of Comprehensive Income for the year ended 31 December 2022**

	Notes	2022 US\$'000	2021 US\$'000
Revenue	15	106	106
<b>Total Revenue</b>		<b>106</b>	<b>106</b>
Interest expense	3	(220)	(60)
<i>-of which Interest expense from instruments at amortised cost</i>		(220)	(60)
<b>Net interest expense</b>		<b>(220)</b>	<b>(60)</b>
Other income	4	0	0
Operating expenses	5	(108)	(94)
<b>Net operating expense</b>		<b>(108)</b>	<b>(94)</b>
<b>Loss before tax</b>		<b>(222)</b>	<b>(48)</b>
Income tax (expense)/benefit	6	(207)	1,169
<b>Profit/(Loss) for the year</b>		<b>(429)</b>	<b>1,121</b>
<b>Total comprehensive income for the year</b>		<b>(429)</b>	<b>1,121</b>

Results for the year 2022 and 2021 are from continuing operations.

There is no other comprehensive income in the current and prior year.

The notes on pages 15 to 29 form an integral part of these Financial Statements.

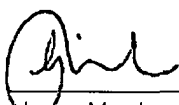
**DLJ UK Properties Limited**  
**Financial Statements for the year ended 31 December 2022**

**Statement of Financial Position as at 31 December 2022**

	Notes	2022 US\$'000	2021 US\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Other assets	7	734	843
Cash and cash equivalents	8	531	589
<b>Total current assets</b>		<b>1,265</b>	<b>1,432</b>
<b>Non-current assets</b>			
Property and equipment	9,15	860	932
Deferred tax assets	10	4,010	4,898
<b>Total non-current assets</b>		<b>4,870</b>	<b>5,830</b>
<b>Total assets</b>		<b>6,135</b>	<b>7,262</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term borrowings	11	13,061	13,778
Other liabilities	12	46	27
<b>Total current liabilities</b>		<b>13,107</b>	<b>13,805</b>
<b>Total liabilities</b>		<b>13,107</b>	<b>13,805</b>
<b>EQUITY</b>			
Share capital	13	80,000	80,000
Capital contribution reserve	14	8,800	8,800
Accumulated losses		(95,772)	(95,343)
<b>Total equity</b>		<b>(6,972)</b>	<b>(6,543)</b>
<b>Total liabilities and equity</b>		<b>6,135</b>	<b>7,262</b>

The notes on pages 15 to 29 form an integral part of these Financial Statements.

The financial statements on pages 11 to 29 were approved by the Board of Directors on 29 June 2023 and signed on its behalf by

  
 Hayley Marsh  
 Director

Company Registration Number: 03530382

**DLJ UK Properties Limited**  
**Financial Statements for the year ended 31 December 2022**

**Statement of Changes in Equity for the year ended 31 December 2022**

	Share capital US\$'000	Capital contribution reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance at 1 January 2022	80,000	8,800	(95,343)	(6,543)
Loss for the year	—	—	(429)	(429)
<b>Balance at 31 December 2022</b>	<b>80,000</b>	<b>8,800</b>	<b>(95,772)</b>	<b>(6,972)</b>
Balance at 1 January 2021	80,000	8,800	(96,464)	(7,664)
Profit for the year	—	—	1,121	1,121
<b>Balance at 31 December 2021</b>	<b>80,000</b>	<b>8,800</b>	<b>(95,343)</b>	<b>(6,543)</b>

The notes on pages 15 to 29 form an integral part of these Financial Statements.

**Statement of Cash Flows for the year ended 31 December 2022**

	Notes	2022 US\$'000	2021 [Restated] US\$'000
<b>Cash flow from operating activities</b>			
Loss before tax		(222)	(48)
<b>Adjustments to reconcile net income to net cash generated from operating activities:</b>			
<b>Non-cash items included in loss before tax and other adjustments</b>			
Depreciation		72	76
Interest expense	3	220	60
<b>Cash generated before changes in operating assets and liabilities</b>		<b>70</b>	<b>88</b>
<b>Net movement in operating assets/liabilities:</b>			
Increase in Other assets		(53)	—
Increase in Other liabilities		10	6
<b>Cash generated from operating activities:</b>			
Group relief received	7	843	1,052
<b>Net cash generated from operating activities</b>		<b>870</b>	<b>1,146</b>
<b>Cash flows from Investing activities</b>			
Interest-bearing deposits		—	42
<b>Net cash generated from investing activities</b>		<b>—</b>	<b>42</b>
<b>Cash flows from Financing activities</b>			
Repayment of short-term borrowings	11	(717)	(716)
Interest paid*		(211)	(58)
<b>Net cash used in financing activities</b>		<b>(928)</b>	<b>(774)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(58)</b>	<b>414</b>
Cash and cash equivalents at the beginning of the year		589	175
<b>Cash and cash equivalents at the end of the year</b>		<b>531</b>	<b>589</b>

The notes on pages 15 to 29 form an integral part of these Financial Statements.

\*Interest paid has been appropriately re-classed from operating activities to financing activities, resulting in re-statement of 2021 balances.

**Notes to the Financial Statements for the year ended 31 December 2022**

**1. General**

DLJ UK Properties Limited ('the Company') is incorporated and domiciled in the United Kingdom and registered in England and Wales. The Company's registered office is at One Cabot Square, London, E14 4QJ. The Company's principal activity is to hold and lease fixed assets to related companies. The Company has leased assets to CSi which is a CS group company.

**2. Significant accounting policies**

**a) Statement of compliance**

The Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006 as applicable to companies using IFRS.

The Financial Statements were approved and authorised for issue by the Board of Directors on 29 June 2023.

**b) Basis of preparation**

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

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Critical accounting estimates and judgements applied to these Financial Statements are set out in Note 2(k) Critical accounting estimates and judgements in applying accounting policies.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision has a significant effect on both current and future years. Management believes that the estimates and assumptions used in the preparation of the Financial Statements are reasonable and consistently applied.

**Going Concern**

The Board has assessed of the ability of the Company to continue as a going concern for a period of at least 12 months from the date of this report. Based on this assessment, the Board is satisfied that the Company has adequate resources to continue in operation for this period, and it therefore continues to adopt the going concern basis in preparing the financial statements. The Company is reliant on funding from Credit Suisse AG ('CS AG') who have provided a letter of intent to ensure the Company can meet its debt obligations for the next 18 months. CS AG runs a global liquidity rebalancing process across its major legal entities to respond to liquidity demands across the consolidated group.

During Q1 2023 the financial stability of CSG and CS AG reached a critical point which resulted in an agreement to merge between CSG and UBS, which legally closed on 12 June 2023. During this period CSG has been reliant on funding from the Swiss government and the Swiss National Bank.

CS Group has concluded they are operating as a going concern but are reliant on the success of the merger. Due to the Company's reliance on CS AG, the Company's assessment of going concern was also dependent on the recent legal closure of the merger.

The Board have made enquiries to gain comfort on the going concern status of CS AG due to the reliance on the support CS AG provides to the Company. It is the expectation that liquidity and other facilities will remain in place. Any possible unforeseen developments or changes, which are currently considered as remote, would trigger a re-evaluation of this determination.

**Notes to the Financial Statements for the year ended 31 December 2022**

**2. Significant accounting policies (continued)**

The Board has also exercised judgement and assessed the future plans for the Company under the new merger which are uncertain as at this time. However, should any decision be made in the near term to wind down the activities of the Company, such a process would be expected to occur in an orderly fashion.

In considering the going concern, the directors also have reviewed the capital, liquidity, and financial position of the Company including forward looking plans. These measures support the Board's assessment that the Company is a going concern. Despite this assessment, the directors would highlight the merger of CSG and UBS, UBS may decide to liquidate or merge the Company with another UBS subsidiary as a result of the merger. This represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

**c) Foreign currency**

The Company's functional currency is United States Dollar (US\$). 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 the reporting 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 the reporting date are not revalued for movements in foreign exchange rates.

**d) Financial assets and liabilities**

Financial assets includes cash & cash equivalents, interest bearing deposits and interest accrued on money market deposits. Financial liabilities include short-term borrowings.

The Company's financial assets are classified on the basis of two criteria: 1) the business model which refers to how the Company manages a financial asset in order to generate cash flows and 2) the contractual cash flow characteristics of the financial asset.

The business model assessments are performed by considering the way in which the financial assets are managed to achieve a particular business objective as determined by management. The assessment is made at the level at which the group of financial assets are managed. These assessments are based on reasonable expectations. All relevant and objective evidence are considered while performing the business model assessments, for example:

- How the performance of the financial assets are evaluated and reported to key management personnel.
- The risks that affect the performance of the financial assets and how those risks are managed.
- How managers of the business are compensated.

The 'Hold to Collect' business model is a model with the objective to hold a financial asset to collect contractual cash flows. Sales are incidental to the objective of this model. The 'Hold to Collect and Sell' business model is a model with the objective to both hold financial assets to collect contractual cash flows and to sell financial assets. This model has a greater frequency of sales than a 'Hold to Collect' business model. The Company does not have any financial assets which are under the 'Hold to Collect and Sell' business model.

The financial assets which are not classified under the 'Hold to Collect' business models are measured at fair value. These include financial assets that meet the trading criteria; those that are managed on a fair value basis or designated at fair value as well as equity instruments where an irrevocable election is made on initial recognition to present changes in fair value in other comprehensive income (OCI).

For 'Hold to Collect' business model, the contractual cash flows of the financial assets are assessed to determine if they consist of solely payments of principal and interest. For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for time value of money, for the credit risk associated with the principal amount outstanding during a particular year of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.



**Notes to the Financial Statements for the year ended 31 December 2022**

**2. Significant accounting policies (continued)**

The Company does not have any financial assets which are under the 'Hold to Collect and Sell' business model.

These criteria determine how a financial asset is subsequently measured.

**Amortised Cost**

Financial assets which have contractual cash flows which consist solely of payments of principal and interest and are held in a 'Hold to Collect' business model are subsequently measured at amortised cost and are subject to impairment. (Refer note 2(e)).

**e) Impairment of financial assets**

The impairment requirements apply primarily to financial assets measured at amortised cost and FVOCI. The impairment requirements are based on a forward-looking expected credit Loss ('ECL') model by incorporating reasonable and supportable forecasts of future economic conditions available at the reporting date. This requires considerable judgement over how changes in economic factors affect ECLs, which is determined on a probability-weighted basis.

At origination or acquisition, all financial assets are deemed to be Stage 1 and have a 12 month ECL, except for financial assets that are credit impaired upon purchase or origination. When the credit risk has increased significantly since initial recognition of the financial instrument, the impairment measurement is changed from a 12-month ECL (Stage 1) to a lifetime ECL (Stage 2). A financial asset moves into Stage 3 when it becomes credit-impaired.

The Company does not have material expected credit losses.

**f) Cash and due from banks**

For the purpose of preparation and presentation of the Statement of Cash Flows, cash and cash equivalents comprise the components of cash and due from banks 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 held or utilised for the purpose of cash management.

**g) Interest income and expense**

Interest income and expense includes interest expense on the Company's borrowings. Interest income and expense does not include interest flows on the Company's trading derivatives (except for hedging relationships) and certain financial instruments classified as at fair value through profit or loss which are included in 'Net gains from financial assets/liabilities at fair value through profit or loss'. Interest income and expense on instruments measured at amortised cost is accrued, and any related net deferred premiums, discounts, origination fees or costs are amortized as an adjustment to the yield over the life of the related asset or liability. When a financial asset becomes credit-impaired (or 'Stage 3'), interest income is calculated by applying the effective interest rate to the amortised cost (i.e. net of the expected credit loss provision).

**h) Income tax**

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

Current tax is the expected tax payable on the taxable income for the year and includes any adjustment to tax payable in respect of previous year. Current tax is calculated using tax rates enacted or substantively enacted at the reporting date. Withholding taxes are treated as income taxes.

**Notes to the Financial Statements for the year ended 31 December 2022**

**2. Significant accounting policies (continued)**

For UK corporation tax purposes the Company may surrender or claim certain losses from another UK group Company. The surrendering company will be compensated in full for the tax losses surrendered to the claimant company. The surrendering entity will show a benefit received for the losses surrendered which will be recorded as a reduction to current tax expense and taxes payable whereas the claimant entity will have an increase in current tax expense and taxes payable respectively.

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

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

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

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

**i) Property and equipment**

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial year in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their maximum useful lives, i.e, 17.5 years for property and equipment.

The carrying amounts of property and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment charge is recorded in the Statement of Comprehensive Income to the extent the recoverable amount, which is the higher of fair value less costs to sell and value in use, is less than its carrying amount. Value in use is the present value of the future cash flows expected to be derived from the asset. After the recognition of impairment, the depreciation charge is adjusted in future years to reflect the asset's revised carrying amount. The carrying amount of an asset for which an impairment loss has been recognised in prior years shall be increased to its recoverable amount only in the event of a change of estimate in the asset's recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Comprehensive Income if they arise.

**Notes to the Financial Statements for the year ended 31 December 2022**

**2. Significant accounting policies (continued)**

**j) Operating Lease**

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially remain with the lessor are recognised as operating leases. Lease rentals incomes under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

Lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Right of use (ROU) assets are initially measured based on the lease liability, adjusted for any initial direct costs, any lease payments made prior to lease commencement and for any lease incentives.

Lease payments which depend on an index or a referenced rate are considered to be unavoidable and are included in the lease liability. Subsequent changes in the index or reference rate result in a remeasurement of the lease liability.

Lease ROU assets are amortized on straight-line basis over the lease term. Amortization expense on ROU assets are recognized in general, administrative and trading expenses. Interest expense on lease liabilities is recognized in interest expense. ROU assets are subject to the same impairment guidance as property and equipment.

**k) Critical accounting estimates, and judgements in applying accounting policies**

In order to prepare the Financial Statements in accordance with UK-adopted International Accounting Standards, management is required to make certain accounting estimates to ascertain the value of assets and liabilities. These estimates are based upon judgements the information available at the time, and actual results may differ from these estimates. Management believes that the estimates and the assumptions used in the preparation of financial statements are prudent, reasonable and consistently applied.

**3. Interest expense**

	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Short-term borrowings	(220)	(60)
<b>Total interest expense</b>	<b>(220)</b>	<b>(60)</b>
<b>Net interest of which</b>		
Interest expense from Financial assets at amortised cost	(220)	(60)

The interest expense represents interest expense on short-term and long-term borrowings with Credit Suisse AG, London branch ('CSLB').

**4. Other income**

This comprises of foreign exchange gain for the year 2022 of US\$ 215 (2021: foreign exchange loss of US \$92).

**5. Operating expenses**

	<b>2022</b>	<b>2021</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Auditor's remuneration in relation to statutory audit of these Financial Statements	(35)	(18)
Depreciation	(72)	(76)
Other expenses	(1)	—
<b>Total</b>	<b>(108)</b>	<b>(94)</b>

Notes to the Financial Statements for the year ended 31 December 2022

6. Income tax (expense)/benefit

a) Analysis of tax (expense)/benefit for the year

	2022 US\$'000	2021 US\$'000
<b>Current tax</b>		
Current tax expense for the period	(7)	—
Adjustments in respect of previous periods	688	(6)
<b>Total current tax benefit/(expense)</b>	<b>681</b>	<b>(6)</b>
<b>Deferred tax</b>		
Credit / (Debit) to Statement of Comprehensive Income for the year	18	(2)
Adjustments in respect of previous periods	(906)	2
Effect of changes in tax rate	—	1,175
<b>Total deferred tax (expense)/benefit</b>	<b>(888)</b>	<b>1,175</b>
<b>Income tax (expense)/benefit</b>	<b>(207)</b>	<b>1,169</b>

The UK government enacted legislation to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023.

The Organisation for Economic Co-operation and Development ('OECD') and G20 Inclusive Framework on Base Erosion and Profit Shifting announced plans to introduce a global minimum tax rate of 15% and the OECD issued model rules in 2021. During 2022 further OECD guidance has been released and draft legislation to implement the global minimum tax regime has been published by the UK Government. The UK Government has stated that it intends to enact legislation in 2023 to apply for accounting periods beginning on or after 31 December 2023. The Company has reviewed the published OECD model rules and further guidance along with the draft UK legislation and has been assessing the expected impact ahead of the implementation of the new regime. The Company will review further guidance as well as new legislation expected to be released by governments implementing this new tax regime and continue to assess the potential impact.

The income tax (expense)/ benefit for the year can be reconciled to the loss per the Statement of Comprehensive Income as follows:

	2022 US\$'000	2021 US\$'000
<b>Loss before Tax</b>	<b>(222)</b>	<b>(48)</b>
Loss before tax multiplied by the UK statutory rate of corporation tax at the rate of 19%	43	9
Adjustment for interest payable to Group Companies	(36)	(11)
Adjustments to current tax in respect of previous periods	688	(6)
Adjustments to deferred tax in respect of previous periods	(906)	2
Effect on deferred tax resulting from changes to tax rates	—	1,175
Differential in movement in deferred taxes to the statutory tax rate	4	—
<b>Income tax (expense)/ benefit</b>	<b>(207)</b>	<b>1,169</b>

b) Deferred taxes

Deferred taxes are calculated on all temporary differences under the liability method using an effective tax rate of 25% (2021: 25%). Further information about deferred income tax is presented in Note 10 – Deferred tax assets.

7. Other assets

	2022 US\$'000	2021 US\$'000
Group relief receivable	681	843
Dues from related parties*	53	—
<b>Total</b>	<b>734</b>	<b>843</b>

\*This mainly includes rent receivable from CSI.

Notes to the Financial Statements for the year ended 31 December 2022

**8. Cash and cash equivalents**

	2022 US\$'000	2021 US\$'000
Cash at Bank	494	548
Short-term money market deposits	37	41
<b>Total</b>	<b>531</b>	<b>589</b>

Cash at bank represents a balance in bank account held with CS AG, Zurich.

The interest rate as at 31 December 2022 on the GBP denominated deposit was 0.57% (2021: 0.18%) matured on 20 February 2023. Refer note 18 for fair value disclosures.

**9. Property and equipment**

	2022 Plant and Equipment US\$'000	2021 Plant and Equipment US\$'000
<b>Cost</b>		
Balance as at 1st January	1,251	1,251
<b>Cost at 31st December</b>	<b>1,251</b>	<b>1,251</b>
<b>Accumulated Depreciation</b>		
Balance at beginning of the year	319	243
Charge for the year	72	76
<b>Accumulated depreciation as at 31st December</b>	<b>391</b>	<b>319</b>
<b>Property and Equipment</b>		
<b>Net Assets as at 1st January</b>	<b>932</b>	<b>1,008</b>
<b>Net Assets as at 31st December</b>	<b>860</b>	<b>932</b>

**10. Deferred tax assets**

Deferred tax assets are recognised on deductible temporary differences only to the extent that realisation of the related tax benefit is probable.

	2022 US\$'000	2021 US\$'000
Deferred tax assets	4,010	4,898

The movement for the year on the deferred tax position is analysed as follows:

Balance at 1 January	4,898	3,723
Credit / (Debit) to Statement of Comprehensive Income for the year	18	(2)
Adjustment in respect of previous year	(906)	2
Effect of change in tax rate	—	1,175
<b>At the end of the year</b>	<b>4,010</b>	<b>4,898</b>

**Deferred tax assets are attributable to the following items:**

Decelerated tax depreciation	4,010	4,898
<b>At the end of the year</b>	<b>4,010</b>	<b>4,898</b>

**The deferred tax (expense)/ benefit in the income statement comprises the following temporary differences:**

Decelerated tax depreciation	(888)	1,175
<b>Total deferred tax (expense)/benefit in the Statement of Comprehensive Income</b>	<b>(888)</b>	<b>1,175</b>

**Notes to the Financial Statements for the year ended 31 December 2022**

**11. Short-Term Borrowings**

	2022 US\$'000	2021 US\$'000
Short-term money market borrowings	13,061	13,778
<b>Total</b>	<b>13,061</b>	<b>13,778</b>

	Balance as at 1 January 2022	Cash Flows		Balance as at 31 December 2022
Short-term borrowings		Issuances	Repayments	
CSLB	13,778	—	717	13,061
<b>Total</b>	<b>13,778</b>	<b>—</b>	<b>717</b>	<b>13,061</b>

	Balance as at 1 January 2021	Cash Flows		Balance as at 31 December 2021
Short-term borrowings		Issuances	Repayments	
CSLB	14,494	—	716	13,778
<b>Total</b>	<b>14,494</b>	<b>—</b>	<b>716</b>	<b>13,778</b>

The interest rate as at 31 December 2022, on the US\$ 13,000k (2021: US\$ 13,000k) short-term money market borrowing from CSLB was 3.8% (2021: 0.34%) with an average maturity of 31 days (2021: 31 days).

The interest rate as at 31 December 2022, on the US\$ 61k short-term money market borrowing from CSLB was 0.57% with an average maturity of 367 days.

The interest rate as at 31 December 2021, on the US\$ 68k short-term money market borrowing from CSLB was 0.17% with an average maturity of 365 days.

The interest rate as at 31 December 2021 on the short-term money market borrowing of US\$ 710k from CSLB was 2.51% which was matured on 9 August 2022. Refer note 18 for fair value disclosures.

**12. Other liabilities**

	2022 US\$'000	2021 US\$'000
Interest accrued on borrowings	18	9
Audit fees payable	28	18
<b>Total</b>	<b>46</b>	<b>27</b>

**13. Share capital**

	2022 US\$'000	2021 US\$'000
Authorised:		
400,000,000 Ordinary shares of US\$1.00 each	400,000	400,000
Allotted, called up and paid up:		
80,000,001 Ordinary shares of US\$1.00 each	80,000	80,000
<b>Total</b>	<b>80,000</b>	<b>80,000</b>

The holders of ordinary shares have voting rights and the right to receive dividends. There was no movement in share capital during current year (2021: US\$ Nil) and no dividends were paid or are proposed (2021: 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, share premium and accumulated losses. The Company funds its operations and growth through equity. This includes assessing the need to raise additional equity where required.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

**Notes to the Financial Statements for the year ended 31 December 2022**

**14. Capital Contribution reserve**

	2022 US\$'000	2021 US\$'000
Capital contribution reserve	8,800	8,800
<b>Total</b>	<b>8,800</b>	<b>8,800</b>

Capital contribution reserve represents contributions made by the parent company to the Company's reserves.

**15. Operating Lease**

The Company has leased assets to CSi and rent of US\$ 106k (2021: US\$ 106k) was earned.

The leasing agreement has been executed for 5 years and is non-cancellable. The title to ownership of the asset remains with the Company.

**a) Operating lease income**

Year end 31 December:	<b>2022</b>	<b>2021</b>
<b>Operating leases:</b>	<b>US\$'000</b>	<b>US\$'000</b>
Lease income	106	106

**b) Maturity Analysis of Operating Leases**

<b>Lease Payments Receivable</b>	<b>2022 US\$'000</b>	<b>2021 US\$'000</b>
Receivable within 1 year	106	62
Receivable between 1 and 2 years	106	—
Receivable between 2 and 3 years	106	—
Receivable between 3 and 4 years	106	—
Receivable between 4 and 5 years	62	—
<b>Total</b>	<b>486</b>	<b>62</b>

**c) Operating Leases of Property, Plant and Equipment**

- i. Measurement basis used for determining the gross carrying amount - **Purchase Cost**
- ii. Depreciation method used - **Straight Line Method**
- iii. Useful lives or depreciation rates used - **17.5 Years**
- iv. Gross carrying amount and the accumulated depreciation at the beginning and end of the year
- v. Reconciliation of the carrying amount at the beginning and end of the year

<b>Particulars</b>	<b>December 31, 2022 US\$'000</b>	<b>December 31, 2021 US\$'000</b>
Gross Carrying Amount	1,251	1,251
Accumulated Depreciation	391	319
<b>Total</b>	<b>860</b>	<b>932</b>

The Company determines the gross carrying amount of operating leases by taking the balance and increasing and decreasing by the items noted in the movements table. Amortization is taken on a straight-line basis according to the useful lives outlined in Significant Accounting Policies note 2(i).

For the movements in the leased asset during the year refer to Note 9.

**16. Related party transactions**

The Company is a wholly owned subsidiary of DLJ UK Investment Holdings Limited. The ultimate holding company is UBS Group AG, which is incorporated in Switzerland.

Copies of 2022 group Financial Statements of Credit Suisse Group AG, in which the results of the Company are consolidated, are available to the public and may be obtained from CS AG, Paradeplatz 8, 8070 Zürich, Switzerland.

**Notes to the Financial Statements for the year ended 31 December 2022**

**16. Related party transactions (continued)**

The Company has related party balances with subsidiaries and affiliates of CS group. The Company generally enters into these transactions in the ordinary course of business and these transactions are on market terms that could be obtained from unrelated parties.

**a) Related party assets and liabilities**

	2022		2021	
	Parent*	Fellow group companies	Parent*	Fellow group companies [Restated]
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Other Assets*	—	53	—	—
Cash at bank**	531	—	589	—
<b>Total current assets</b>	<b>531</b>	<b>53</b>	<b>589</b>	<b>—</b>
<b>Total assets</b>	<b>531</b>	<b>53</b>	<b>589</b>	<b>—</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Short-term borrowings	13,061	—	13,778	—
Interest accrued on borrowings	18	—	9	—
<b>Total current liabilities</b>	<b>13,079</b>	<b>—</b>	<b>13,787</b>	<b>—</b>
<b>Total liabilities</b>	<b>13,079</b>	<b>—</b>	<b>13,787</b>	<b>—</b>

\*Other Assets do not include group relief receivable, resulting in re-statement of 2021 balances.

\*\*Cash at bank mentioned in the above table is with CS AG and Short-term money market deposits, Short-term borrowings and Other liabilities with CSLB.

For UK corporation tax purposes, the Company may surrender or claim certain losses from another UK group company. The Group relief receivable as at 31 December 2022 is US\$ 681k (2021: US\$ 843k).

**b) Related party revenues and expenses**

	2022		2021	
	Parent*	Fellow group companies	Parent*	Fellow group companies
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Related party revenues</b>				
Revenue	—	106	—	106
<b>Total</b>	<b>—</b>	<b>106</b>	<b>—</b>	<b>106</b>
<b>Related party expenses</b>				
Interest expense*	(220)	—	(60)	—
<b>Total</b>	<b>(220)</b>	<b>—</b>	<b>(60)</b>	<b>—</b>

\* The above table includes Interest expense on short-term borrowings with CSLB.



**Notes to the Financial Statements for the year ended 31 December 2022**

**16. Related party transactions (continued)**

**c) Remuneration of Directors and Key Management Personnel**

The Directors and Key Management Personnel did not receive any remuneration in respect of their services for the Company (2021: US\$ Nil). The Directors and Key Management Personnel are employees of its related companies and the Company does not reimburse its related companies for the services rendered by these Directors and Key Management Personnel.

All Directors benefited from qualifying third party indemnity provisions.

**d) Loans and Advances to Directors and Key Management Personnel**

There were no loans or advances made to Directors or Key Management Personnel by way of guarantee of any kind granted to the members of the management and supervisory bodies during the year (2021: US\$ Nil).

**e) Liabilities due to pension funds**

The Company has no employees and therefore does not have any liabilities with regard to pension funds (2021: US\$ Nil).

**17. Employees' remuneration**

The Company had no employees during the year (2021: US\$ Nil). The Company receives a range of administrative services from related companies within the CS Group. CS Group companies have borne the cost of these services.

**18. Fair values of financial assets and liabilities**

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

- Analysis of financial instruments by categories;
- Fair value measurement (including fair value hierarchy)
- Fair value of financial instruments not carried at fair value.

The table below analyses financial instruments by valuation method. The different levels in the fair value hierarchy in which fair value measurements are categorised for financial assets and liabilities have been defined as follows:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or similar liabilities in markets that are not active, that is, markets in which there are few transactions for the asset and liability, the prices are not current or price quotations vary substantially either over time or among market makers, or in which little information is publicly available; (iii) input other than quoted prices that are observable for the asset or liability; or (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

IFRS requires the disclosure of the fair value of financial instruments not carried at fair value in the statements of financial position. IFRS also requires the disclosure of the fair values of these financial instruments within the fair value hierarchy.

**Notes to the Financial Statements for the year ended 31 December 2022**

**18. Fair values of financial assets and liabilities (continued)**

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:

2022 (US\$'000)	Carrying Amount	Fair Value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	531	531	—	—	531
Total	531	531	—	—	531
Financial liabilities					
Short-term borrowings	13,061	—	13,062	—	13,062
Other liabilities	46	—	46	—	46
Total	13,107	—	13,108	—	13,108
2021 (US\$'000)					
Financial assets					
Cash and cash equivalents	589	589	—	—	589
Total	589	589	—	—	589
Financial liabilities					
Short-term borrowings	13,778	—	13,778	—	13,778
Other liabilities	27	—	27	—	27
Total	13,805	—	13,805	—	13,805

**19. Financial risk management**

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

- Market risk (including foreign exchange risk and interest rate risk)
- Credit risk
- Liquidity risk
- Operational risk

The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

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

**a) Market risk**

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

**Notes to the Financial Statements for the year ended 31 December 2022**

**19. Financial risk management (continued)**

**(i) Interest rate risk**

During the current year, the Company held only fixed interest rate bearing assets and liabilities. Considering that the Company has limited exposure to Interest rate risk, sensitivity analysis has not been performed.

The Company has interest bearing financial assets and liabilities, which are mainly in the form of cash and cash equivalents and borrowings. The interest rates on these instruments typically resets within 3 months which minimises the risk to changes in interest rates. As the Company's interest-bearing assets and liabilities are against group companies, the Company is not exposed to any third party counter party interest rate risks.

The Company holds no other significant interest-bearing assets or liabilities and the remaining expenses and operating cash flows are independent of changes in interest rates.

**(ii) Foreign exchange risk**

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

Foreign exchange risk related to expenses and net assets is centrally and systematically managed with a focus on risk reduction and diversification. Any currency risk that materialises will be managed centrally by the CS group through the Foreign Currency Exposure Management ('FCEM') process, utilising currency hedges at the CS group level.

<b>2022</b>	<b>GBP'000</b>
<b>Non US\$ denominated assets</b>	
Cash and cash equivalents	52
<b>Total monetary assets</b>	<b>52</b>
<b>Non US\$ denominated liabilities</b>	
Other liabilities	23
Short-term borrowings	50
<b>Total monetary liabilities</b>	<b>73</b>
<b>Net exposure</b>	<b>(21)</b>
<b>2021</b>	<b>GBP'000</b>
<b>Non US\$ denominated assets</b>	
Cash and cash equivalents	70
<b>Total monetary assets</b>	<b>70</b>
<b>Non US\$ denominated liabilities</b>	
Other liabilities	13
Short-term borrowings	50
<b>Total monetary liabilities</b>	<b>63</b>
<b>Net exposure</b>	<b>7</b>

**Notes to the Financial Statements for the year ended 31 December 2022**

**19. Financial risk management (continued)**

Sensitivity analysis for changes in exchange rates assume an instantaneous increase or decrease of 25% for foreign currency to US\$ rates at the reporting date, with all other variables remaining constant.

**2022 (US\$'000)**

	<b>+25%</b>	<b>-25%</b>
Change in equity and income or (loss) with foreign exchange fluctuation	(7)	7
<b>Total</b>	<b>(7)</b>	<b>7</b>

**2021 (US\$'000)**

	<b>+25%</b>	<b>-25%</b>
Change in equity and income or (loss) with foreign exchange fluctuation	2	(2)
<b>Total</b>	<b>2</b>	<b>(2)</b>

**b) Credit risk**

Credit risk is the possibility of a loss being incurred by the Company as a result of a borrower or counter-party failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counter-party.

The Company is exposed to credit risk from counter-party. The carrying value of loans represents the maximum credit exposure of the Company to counter-parties. The Company has policies that limit the amount of credit exposure to any financial institution. Transactions are limited to fellow group companies and high credit quality financial institutions.

Counterparty Exposure by Rating:

<b>Cash and Due from Bank</b>	<b>12-month ECL (Stage 1)</b>	<b>Lifetime ECL not credit impaired (Stage 2)</b>	<b>Lifetime ECL credit impaired (Stage 3)</b>	<b>Purchased credit impaired</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>2022</b>					
A+ to A-	494	—	—	—	494
<b>Gross Carrying Amount</b>	<b>494</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>494</b>
Loss allowance	—	—	—	—	—
<b>Net Carrying amount</b>	<b>494</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>494</b>

<b>Short-term money market deposits</b>	<b>12-month ECL (Stage 1)</b>	<b>Lifetime ECL not credit impaired (Stage 2)</b>	<b>Lifetime ECL credit impaired (Stage 3)</b>	<b>Purchased credit impaired</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>2022</b>					
A+ to A-	37	—	—	—	37
<b>Gross Carrying Amount</b>	<b>37</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>37</b>
Loss allowance	—	—	—	—	—
<b>Net Carrying amount</b>	<b>37</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>37</b>

<b>Cash and Due from Bank</b>	<b>12-month ECL (Stage 1)</b>	<b>Lifetime ECL not credit impaired (Stage 2)</b>	<b>Lifetime ECL credit impaired (Stage 3)</b>	<b>Purchase d credit impaired</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>2021</b>					
A+ to A-	548	—	—	—	548
<b>Gross Carrying Amount</b>	<b>548</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>548</b>
Loss allowance	—	—	—	—	—
<b>Net Carrying amount</b>	<b>548</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>548</b>

Notes to the Financial Statements for the year ended 31 December 2022

19. Financial risk management (continued)

Short-term money market deposits	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Purchased credit impaired	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2021					
A+ to A-	41	—	—	—	41
<b>Gross Carrying Amount</b>	<b>41</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>41</b>
Loss allowance	—	—	—	—	—
<b>Net Carrying amount</b>	<b>41</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>41</b>

c) Liquidity risk

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

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

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

2022 (US\$'000)	Carrying amount	Gross nominal outflow	On demand	Due within 3 months	Due between 3 and 12 months	Due between 1 to 5 years	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Short-term borrowings	13,061	13,086	—	13,086	—	—	13,086
Other liabilities	46	46	28	18	—	—	46
<b>Total financial liabilities</b>	<b>13,107</b>	<b>13,132</b>	<b>28</b>	<b>13,104</b>	<b>—</b>	<b>—</b>	<b>13,132</b>
<b>2021 (US\$'000)</b>							
Short-term borrowings	13,778	13,773	—	13,057	716	—	13,773
Other liabilities	27	27	18	9	—	—	27
<b>Total financial liabilities</b>	<b>13,805</b>	<b>13,800</b>	<b>18</b>	<b>13,066</b>	<b>716</b>	<b>—</b>	<b>13,800</b>

d) Operational risk

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

20. Subsequent events

On 19 March 2023, CSG and UBS entered into an agreement and plan of merger ('the merger'), which legally closed on 12 June 2023. The Company has become a consolidated subsidiary of UBS Group AG, and as such the future operations and financial performance of the company may be impacted as a result of the merger. There can be no assurance that the Company will not itself become liquidated or otherwise merged with another UBS Group AG subsidiary as a result of the merger.

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