CREDIT SUISSE BG STRATEGY INVESTMENTS (UK)

Annual report and Financial Statements 2014

Company Registration Number: 3897327

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Board of Directors

David Long	Director
Lawrence Fletcher	Director
Paul E. Hare	Director

Company Secretary

Paul E. Hare	Secretary

Strategic Report for the year ended 31 December 2014

The Directors present their Annual Report and the financial statements for the year ended 31 December 2014.

Principal activities

Credit Suisse BG Strategy Investments (UK) (the "Company") is domiciled in the United Kingdom and it is currently engaged in financing activities. The Company is a wholly owned subsidiary of DLJ UK Investment Holdings Limited. The ultimate parent of the Company is Credit Suisse Group AG, which is incorporated in Switzerland, specialising in Investment Banking and Wealth Management.

Business review

There has been no significant change in the Company's principal activities compared to previous years. The Directors are not aware of any significant developments or factors which will have a major impact on the continued success or operation of the business in the future.

Performance

The performance of the company is explained through the key movements in its Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position.

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2014, the Company reported a net profit after tax for the year of US$ 20,000 (2013: profit of US$ 51,916,000). The profit is primarily driven by interest income on a loan deposited with Credit Suisse International.

Statement of Financial Position

As at 31 December 2014, the Company had total assets of US$ 4,594,000 (2013: US$ 4,574,000).

As at 31 December 2014, the Company had equity of US$ 203,000 (2013: US$ 183,000).

Key performance indicators

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

Principal risks and uncertainties

Refer to Note 15 on the market risk, credit risk and liquidity risk of the Company. The main assets of the Company are mainly cash and cash equivalents and deposits with related companies. The Company mainly faces credit risk on its deposits with related companies. The Directors of the Company are comfortable that no impairment is required on this asset.

Approved by the Board of Directors on 8 September 2015 and signed on its behalf by:

Paul E. Hare
Company Secretary

Directors' Report for the year ended 31 December 2014

International Financial Reporting Standards

The financial statements of the Company for 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU).

The financial statements were approved and authorised for issue by the Directors on 8 September 2015.

Going concern

The financial statements have been prepared on a going concern basis.

Share capital

No additional share capital was issued by the Company during 2014 (2013: US$ Nil).

Dividends

No dividends were paid or proposed by the Company during 2014 (2013: US$ 9,080,377,000).

Directors

The names of the Directors as at the date of this report are set out on page 3. There has been no change in the directorate since 31 December 2013, and up to the date of this report.

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

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 IFRS as adopted by the EU and applicable law.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Directors' Report for the year ended 31 December 2014

Disclosure of information to auditor

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

Auditors

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

Subsequent events

Subsequent to the year end, in April 2015, the deposit with Credit Suisse International was unwound. The corresponding guarantee obligation was also revoked. The funds were utilised to pay group relief liability. Post this event, the Company remained dormant.

In the UK budget announcement of 8 July 2015, the UK government announced its intention to reduce the UK corporation tax rate to 19% from 2017 and 18% from 2020. These tax rate reductions are expected to be substantively enacted in 2015.

Approved by the Board of Directors on 8 September 2015 and signed on its behalf by:

Lawrence B Fletcher

Lawrence Fletcher
Director
One Cabot Square
London E14 4QJ
8 September 2015

Independent Auditor's Report to the Members of Credit Suisse BG Strategy Investments (UK)

We have audited the financial statements of Credit Suisse BG Strategy Investments (UK) for the year ended 31 December 2014 which comprises the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

D. Rogers

D Rogers
(Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London
E14 5GL
8 September 2015

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2014

	Note	2014 US$'000	2013 US$'000
Interest income	4	26	56,307
Operating income		**26**	**56,307**
Administrative expenses	5	(6)	(6)
Profit before tax		**20**	**56,301**
Income tax expense	6	-	(4,385)
Profit after tax		**20**	**51,916**

Results for 2014 and 2013 are from continuing operations.

There is no other comprehensive income in the current and prior year. Accordingly, Statement of Other Comprehensive Income is not provided.

The notes on pages 12 to 23 form an integral part of these financial statements.

Statement of Financial Position as at 31 December 2014

	Note	2014 US$'000	2013 US$'000
ASSETS			
Current assets			
Loans and receivables	7	4,446	4,420
Cash and cash equivalents	8	148	154
Total current assets		**4,594**	**4,574**
Total assets		**4,594**	**4,574**
LIABILITIES			
Current liabilities			
Other liabilities	9	6	6
Group relief payable	10	4,385	4,385
Total current liabilities		**4,391**	**4,391**
Total liabilities		**4,391**	**4,391**
SHAREHOLDERS' EQUITY			
Share capital	11	-	-
Retained earnings		203	183
Total shareholders' equity		**203**	**183**
Total shareholders' equity and liabilities		**4,594**	**4,574**

The notes on pages 12 to 23 form an integral part of these financial statements.

Approved by the Board of Directors on 8 September 2015 and signed on its behalf by:

Lawrence B Fletcher

Lawrence Fletcher
Director

Statement of Changes in Equity for the year ended 31 December 2014

	Attributable to equity holders of the company		
	Share capital	**Retained earnings**	**Total**
	US$'000	**US$'000**	**US$'000**
Balance at 1 January 2014	-	183	183
Profit for the year	-	20	20
Balance at 31 December 2014	**-**	**203**	**203**

	Attributable to equity holders of the company		
	Share capital	**Retained earnings**	**Total**
	US$'000	**US$'000**	**US$'000**
Balance at 1 January 2013	9,028,277	367	9,028,644
Profit for the year	-	51,916	51,916
Total	**9,028,277**	**52,283**	**9,080,560**
Transaction with owners of the Company			
Capital reduction	(9,028,277)	9,028,277	-
Dividends	-	(9,080,377)	(9,080,377))
Total	**(9,028,277)**	**(52,100)**	**(9,080,377)**
Balance at 31 December 2013	**-**	**183**	**183**

The notes on pages 12 to 23 form an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 December 2014

	Note	31 December 2014	31 December 2013
		US$'000	US$'000
Cash flows from operating activities			
Profit before tax for the year		20	56,301
Adjustments for:			
Non-cash items included in profit before tax and other adjustments			
Interest income	4	(26)	(56,307)
Operating (loss) before working capital changes		**(6)**	**(6)**
Net decrease in operating assets:			
Loans and receivables		-	9,023,857
Other assets		-	16
Cash generated (used in) / from operations		**(6)**	**9,023,867**
Interest received		-	56,519
Net cash from operating activities		**(6)**	**9,080,386**
Cash flows used in financing activities			
Dividend paid		-	(9,080,377)
Net cash used in financing activities		**-**	**(9,080,377)**
Net (decrease)/ increase in cash and cash equivalents		**(6)**	**9**
Cash and cash equivalents at beginning of the year		154	145
Cash and cash equivalents at the end of the year	8	**148**	**154**

The notes on pages 12 to 23 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2014

1. General

Credit Suisse BG Strategy Investments (UK) (the "Company") is domiciled in the United Kingdom and it is currently engaged in financing activities. The Company's registered office is at One Cabot Square, London E14 4QJ.

The Company is engaged in financing activity.

2. Going concern

The financial statements have been prepared on a going concern basis.

3. Significant accounting policies

a) Statement of compliance

The financial statements have been prepared on a going concern basis, approved by the Directors in accordance with International Financial Reporting Standards as adopted by the European Union ("adopted IFRS") and are in compliance with Companies Act 2006.

The financial statements were authorised for issue by the Board of Directors on 8 September 2015.

b) Basis of preparation

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

The preparation of financial statements in conformity with adopted IFRS as adopted by the European Union 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 3(j) Critical accounting estimates and judgements in applying accounting policies.

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

Standards and interpretations effective in the current period

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

- IAS 32 Offsetting Financial Assets and Financial Liabilities: In December 2011, the IASB issued amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities" (IAS 32). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 'Financial Instruments – Presentation'. The adoption of IAS 32 on 1 January 2014 did not have an impact on the Company's financial position, results of operations or cash flows.

Notes to the Financial Statements for the year ended 31 December 2014

3. Significant accounting policies (continued)

b) Basis of preparation policies (continued)

Standard and Interpretation endorsed by the EU and not yet effective

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

- Annual Improvements to IFRSs 2011-2013 Cycle: In December 2013, the IASB issued "Annual Improvements to IFRSs Cycle 2011-2013" (Improvements to IFRSs 2011-2013), which contain numerous amendments to IFRS that the IASB considers non-urgent but necessary. The Improvements to IFRSs are effective for annual periods beginning on or after 1 July 2014. The Company is currently evaluating the impact of adopting these Improvements to IFRSs.
- Annual Improvements to IFRSs 2010-2012 Cycle: In December 2013, the IASB issued "Annual Improvements to IFRSs Cycle 2010-2012 (Improvements to IFRSs 2010-2012), which are effective for annual periods beginning on or after 1 July 2014. The Company is currently evaluating the impact of adopting these Improvements to IFRSs.

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

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

- IFRS 9 Financial Instruments: In November 2009, the IASB issued IFRS 9 "Financial Instruments" (IFRS 9) covering the classification and measurement of financial assets which introduces new requirements for classifying and measuring financial assets. In October 2010, the IASB reissued IFRS 9, which incorporated new requirements on the accounting for financial liabilities. In July 2014, the IASB issued IFRS 9 as a complete standard. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. The Company is currently evaluating the impact of adopting IFRS 9.
- Annual Improvements to IFRSs 2012-2014 Cycle: In September 2014, the IASB issued "Annual Improvements to IFRSs 2012-2014 cycle" (Improvements to IFRSs 2012-2014). The Improvements to IFRSs 2012-2014 are effective for annual periods beginning on or after 1 January 2016. The Company is currently evaluating the impact of adopting these Improvements to IFRSs.
- Disclosure Initiative (Amendments to IAS 1): In December 2014, the IASB issued Amendments to IAS 1 as part of their Disclosure Initiative. The Amendments clarify guidance regarding materiality, notes to the financial statements and the presentation of the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive income. The Amendments will allow entities to use more judgement when preparing and presenting financial statement. The Amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. As the Amendments to IAS 1 impact disclosures only, there will be no impact to the Company's financial position, results of operation or cash flows.

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

c) Foreign currency

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

Notes to the Financial Statements for the year ended 31 December 2014

3. Significant accounting policies (continued)

d) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case the income tax is recognised in equity. For items initially recognised in equity and subsequently recognised in the Statement of Profit or Loss and Other Comprehensive Income, the related income tax initially recognised in equity is also subsequently recognised in the Statement of Profit and Loss and Other 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 years. Current tax is calculated using tax rates enacted or substantially enacted at the reporting date. Information as to the calculation of income tax on the profit or loss for the years presented is included in Note 6- Income tax expense.

For UK corporation tax purposes the Company may surrender or claim certain losses from another UK group company.

e) Financial instruments

Recognition and derecognition

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

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

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

Non derivative financial assets- measurement

- **Loans and receivables:**

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

- **Cash and cash equivalents**

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

f) Interest income

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

Interest income includes interest accrued on deposit with related companies.

Notes to the Financial Statements for the year ended 31 December 2014

3. Significant accounting policies (continued)

g) Dividends on ordinary shares

Dividends on ordinary shares classified as equity are recognised when declared and as a reduction of equity along with the corresponding liability equalling the amount payable.

h) Fair Value

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

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

i) Financial guarantee contracts

Financial guarantee contracts are initially recognised in the Statement of Financial Position at fair value on the date the guarantee was given, which is generally the fee received or receivable. Subsequent to initial recognition, the Company's liabilities under such guarantees are measured at the higher of the initial fair value, less cumulative amortisation, and the best estimate for the expenditure required to settle any financial obligation arising as of the Statement of Financial Position date when it is probable that the financial obligation will occur.

j) Critical accounting estimates and judgements in applying accounting policies

Financial guarantee contracts

Financial guarantee contracts require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Such financial guarantee contracts are given to banks, financial institutions and other parties on behalf of customers to secure loans, overdrafts and other payables. Financial guarantee contracts are initially recognised in the Statement of Financial Position at fair value on the date the guarantee was given, which is generally the fee received or receivable. Subsequent to initial recognition, the Company's liabilities under such guarantees are measured at the higher of the initial fair value, less cumulative amortisation, and the best estimate for the expenditure required to settle any financial obligation arising as of the Statement of Financial Position date when it is probable that the financial obligation will occur. These estimates are determined based on experience with similar transactions and history of past losses, and management's determination of the best estimate.

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.

Notes to the Financial Statements for the year ended 31 December 2014

4. Interest income

The interest income in the current year relates to the interest earned on the loans and receivables with Credit Suisse International ("CSi").

	2014 US$'000	2013 US$'000
Interest income from Loans and receivables	26	56,307
Total	**26**	**56,307**

The interest rate on the Loans and receivables with CSi is variable and set at prevailing market rates which are based on USD LIBOR.

5. Administrative expenses

	2014 US$'000	2013 US$'000
Audit fee	5	5
VAT on audit fees	1	1
Total	**6**	**6**

6. Income tax expense

a) Components of tax expense/ (benefit)

	2014 US$'000	2013 US$'000
Adjustment in respect of previous periods - change in group relief position	-	4,385
Total current tax	**-**	**4,385**

No deferred tax expense or benefit arose in either the current or prior year.

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

The current tax for the year can be reconciled to the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%) as follows:

	2014 US$'000	2013 US$'000
Profit before tax	20	56,301
Profit before tax multiplied by the UK statutory rate of corporation tax of 21.49% (2013:23.25%)	4	13,089
Group relief claimed for nil consideration	(4)	(13,089)
Adjustment in respect of prior periods – change in group relief position	-	4,385
Income tax expense	**-**	**4,385**

Notes to the Financial Statements for the year ended 31 December 2014

6. Income tax expense (continued)

b) An explanation of the relationship between tax expense and the accounting result (continued)

The Finance Act 2012, which passed into law on 17 July 2012, reduced UK corporation tax rate from 24% to 23% with effect from 1 April 2013.

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

In the UK budget announcement of 8 July 2015, the UK government announced its intention to reduce the UK corporation tax rate to 19% from 2017 and 18% from 2020. These tax rate reductions are expected to be substantively enacted in 2015.

7. Loans and receivables

	2014 US$'000	2013 US$'000
Loans and receivables and other assets		
-Current and interest-bearing	4,446	4,420
Total	**4,446**	**4,420**

The Company, DLJ UK Investment Holdings Limited (DLJ) and CSi have a guarantee and charge agreement under which the Company guaranteed certain liabilities of DLJ to CSi and charged the deposits to secure these liabilities.

The Company guarantees liabilities amounting to US$ 4,446,000 (2013: US$ 4,420,000) of DLJ to CSi and the deposit is held by and charged in favour of CSi to secure these liabilities (Refer note 16 – Contingent liabilities).

There are no fees received by the Company for this guarantee.

8. Cash and cash equivalents

	2014 US$'000	2013 US$'000
Bank balances:	148	154
Credit Suisse AG		
Total	**148**	**154**

The fair value of cash and cash equivalents approximates to book value.

9. Other liabilities

	2014 US$'000	2013 US$'000
Audit fees payable	6	6
Total	**6**	**6**

10. Group relief payable

	2014 US$'000	2013 US$'000
Group relief payable	4,385	4,385
Total	**4,385**	**4,385**

Notes to the Financial Statements for the year ended 31 December 2014

11. Share capital

	2014 US$	2013 US$
Authorised equity		
20,000,000,000 'A' shares of US$ 1 each	20,000,000,000	20,000,000,000
100 Deferred shares of £1 each	161	161

Allotted, called up and fully paid equity	2014 US$	2013 US$
100 'A' shares of US$ 1 each	100	100
100 Deferred shares of £1 each	161	161
Total	**261**	**261**

The holders of 'A' shares carry voting rights and the right to receive dividends.

During the year, no additional share capital was issued (2013: US$ Nil)

Capital management

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

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, and retained earnings.

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.

12. Related party transactions

The Company is a wholly owned subsidiary of DLJ UK Investment Holdings Limited domiciled in the United Kingdom. The ultimate holding company is Credit Suisse Group AG, which is incorporated in Switzerland.

Copies of group financial statements of Credit Suisse AG and Credit Suisse Group AG, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from Credit Suisse Group AG, Paradeplatz 8, 8070 Zurich, Switzerland.

The Company has significant related party balances with affiliates of Credit Suisse Group AG.

During the course of its business, the Company entered into agreements and transactions with related parties as detailed below.

Notes to the Financial Statements for the year ended 31 December 2014

12. Related party transactions (continued)

a) Related party assets and liabilities

	Fellow group companies 2014 US$'000	Fellow group companies 2013 US$'000
Assets		
Cash and cash equivalents	148	154
Loans and receivables*	4,446	4,420
Total	**4,594**	**4,574**

For UK corporation tax purposes the Company may surrender or claim certain losses from another UK group company. The Group relief payable for year ended 31 December 2014 is US$ 4,385,000 (2013: US$ 4,385,000).

*The Company, DLJ UK Investment Holdings Limited (DLJ) and CSi have a guarantee and charge agreement under which the Company guaranteed certain liabilities of DLJ to CSi and charged the deposits to secure these liabilities.

The Company guarantees liabilities amounting to US$ 4,446,000 (2013: US$ 4,420,000) of DLJ to CSi and the deposit is held by and charged in favour of CSi to secure these liabilities (Refer note 16 – Contingent liabilities).

There are no fees received by the Company for this guarantee.

b) Related party income and expenses

	Fellow group companies 2014 US$'000	Fellow group companies 2013 US$'000
Interest income	26	56,307
Total	**26**	**56,307**

c) Remuneration of Directors and key management personnel

The Directors and key management personnel did not receive any remuneration in respect of their services to the Company (2013: US$ Nil). The Directors and key management personnel are employees of its related companies and the Company does not reimburse its related companies for the services rendered by these Directors and key management personnel.

All Directors benefited from qualifying third party indemnity provisions.

d) Loans and advances to Directors and key management personnel

There were no loans or advances made to Directors or key management personnel during the year (2013: US$ Nil).

Notes to the Financial Statements for the year ended 31 December 2014

13. Employees

The Company had no employees during the year (2013: US$ Nil). The Company receives a range of administrative services from related companies within the Credit Suisse Group. Credit Suisse Group companies have borne the cost of these services.

14. 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 of financial instruments not carried at fair value.

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

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

The 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 (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between level 2 and level 1 in the year (2013: No Transfers).

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:

2014

	Carrying Amount (US$'000)		Fair Value (US$'000)			
	Loans and receivables	**Other amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Loans and receivables	4,446	-	-	4,446	-	4,446
Cash and cash equivalents	-	148	148	-	-	148
Total	**4,446**	**148**	**148**	**4,446**	**-**	**4,594**
Financial liabilities						
Other liabilities	-	(6)	-	(6)	-	(6)
Total	**-**	**(6)**	**-**	**(6)**	**-**	**(6)**

Notes to the Financial Statements for the year ended 31 December 2014

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

2013

	Carrying Amount (US$'000)		Fair Value (US$'000)			
	Loans and receivables	**Other amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Loans and receivables	4,420	-	-	4,420	-	4,420
Cash and cash equivalents	-	154	154	-	-	154
Total	**4,420**	**154**	**154**	**4,420**	**-**	**4,574**
Financial liabilities						
Other liabilities	-	(6)	-	(6)	-	(6)
Total	**-**	**(6)**	**-**	**(6)**	**-**	**(6)**

15. 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 and liquidity 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.

Credit Suisse Group AG, of which the Company is a part, manages its risks under global policies. The Credit Suisse Group AG risk management process is designed to ensure that there are sufficient controls to measure, monitor and control risks in accordance with Credit Suisse Group AG's control framework and in consideration of industry best practices. The primary responsibility for risk management lies with Credit Suisse Group AG's senior business line managers. They are held accountable for all risks associated with their businesses, including counterparty risk, market risk, liquidity risk, operational risk, legal risk and reputational risk.

The interaction between qualitative and quantitative disclosures better enables users to evaluate an entity's exposure to risk arising from financial instruments.

a) Market risk

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

(i) Interest rate risk

The Company has significant interest bearing financial assets in the form of Loans and receivables. Interest rates on amounts due from related companies typically resets within 3 months which minimises the risk to changes in interest rates.

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

The sensitivity analysis is prepared based on financial instruments that are recognised at the reporting dates. The sensitivity assumes changes in certain market conditions. These assumptions may differ materially from the actual turn out due to the inherent uncertainties in global financial markets. In practice, market risks rarely change in isolation and are likely to be interdependent. The methods and assumptions used are the same for both reporting periods.

Notes to the Financial Statements for the year ended 31 December 2014

15. Financial risk management (continued)

(i) Interest rate risk (continued)

	US$'000 2014		US$'000 2013	
	+25%	- 25%	+25%	- 25%
Change in equity and income or loss with interest rate fluctuation in receivables	3	(3)	7	(7)
Total	**3**	**(3)**	**7**	**(7)**

(ii) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the GBP and EUR.

Foreign currency risk is the risk that the value of monetary assets/ liabilities will fluctuate because of change in foreign exchange rates. As at 31 December 2014, the Company had US$ 2,000 net liabilities (2013: US$ 2,000 net liabilities) foreign currency exposure.

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

2014	GBP '000	EUR '000
Monetary assets		
Cash and cash equivalents	1	2
Total monetary assets	**1**	**2**
Monetary liabilities		
Other liabilities	(4)	-
Total monetary liabilities	**(4)**	**-**
Net exposure	**(3)**	**2**

The net currency exposure of the Company for the year 2013 is outlined below:

2013	GBP '000	EUR '000
Monetary assets		
Cash and cash equivalents	1	2
Total monetary assets	**1**	**2**
Monetary liabilities		
Other liabilities	(4)	-
Total monetary liabilities	**(4)**	**-**
Net exposure	**(3)**	**2**

Since the Company has minimal foreign exchange risk, sensitivity analysis has not been performed by the Company.

Notes to the Financial Statements for the year ended 31 December 2014

15. Financial risk management (continued)

b) Credit risk

Credit risk is the possibility of a loss being incurred by us as the result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counterparty. The Company is exposed to credit risk from Credit Suisse Group companies and third parties. The carrying value of amounts due from related companies and third parties 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.

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

Counterparty Exposure

	Banks	
	2014	**2013**
	US$'000	**US$'000**
- AAA	-	-
- AA+ to AA-	-	-
- A+ to A-	4,594	4,574
- BBB+ to BBB-	-	-
- BB+ to BB-	-	-
- B+ and below	-	-
Total	**4,594**	**4,574**

Also refer Note 16 Contingent liabilities for maximum credit exposure.

c) Liquidity risk

The Company has no significant liquidity risk.

16. Contingent liabilities

The Company guarantees liabilities amounting to US$ 4,446,000 (2013: US$ 4,420,000) of DLJ to CSi and the deposit of the Company is held by and charged in favour of CSi to secure these liabilities. As at 31 December 2014 and 2013 the company did not recognise any liability on this guarantee.

17. Subsequent events

Subsequent to the year end, in April 2015, the deposit with Credit Suisse International was unwound. The corresponding guarantee obligation was also revoked. The funds were utilised to pay group relief liability. Post this event, the Company remained dormant.

In the UK budget announcement of 8 July 2015, the UK government announced its intention to reduce the UK corporation tax rate to 19% from 2017 and 18% from 2020. These tax rate reductions are expected to be substantively enacted in 2015.