

Credit Suisse First Boston PF (Europe) Limited

Financial Statements  
For the Year ended 31 December 2011



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COMPANIES HOUSE

Company Registration Number 03468370

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**CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

**BOARD OF DIRECTORS**

**Costas P Michaelides**

**Michael J Murphy**

**Paul E Hare**

**Stuart C Eden**

**COMPANY SECRETARY**

**Paul E Hare**

# CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

### **Review of business**

#### **Business review and principal activities**

The principal activity of Credit Suisse First Boston PF (Europe) Limited (the "Company") is the origination, marketing, structuring and provision of other services related to the raising of capital for direct investment firms. The Company acts as an agent on behalf of Credit Suisse Securities (Europe) Limited and started its activities in April 2005.

The activities of the Company encompass services related to the raising of capital for private equity funds. The Company's income and expenses are passed on to Credit Suisse Securities (Europe) Limited through a Service Level Agreement.

#### **Going concern basis**

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

#### **Performance**

The Company reported a profit for the year of US\$ 32,311 (2010: Profit of US\$ 16,002).

As at 31 December 2011, the Company has total assets of US\$ 611,508 (2010: US\$ 4,648,180) and a net liability position of US\$ 88,956 (2010: US\$ 121,267).

#### **Principal risks and uncertainties**

The Company's activities expose it to a variety of financial risks: market risk (currency risk and interest rate risk), credit risk, liquidity risk and cash flow risk. The overall risk management programme focuses on the predictability of financial markets and seeks to minimise potential adverse effects on the Company's Performance.

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

#### **Key Performance Indicators ("KPIs")**

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **Share capital**

No additional share capital was issued by the Company during the year.

#### **Dividends**

No dividends were paid or proposed for 2011 (2010: US\$Nil).

# CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

### **Risk management**

The Company's financial risk management objectives and policies and the exposure of the Company to market risk (including currency risk and interest rate risk), foreign exchange risk, credit risk, liquidity risk and cash flow risk are outlined in note 15

### **Directors**

The names of the directors as at the date of this report are set out on page 2. There has been no change in the directorate since 31 December 2010, 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 or had any disclosable interest in shares of Credit Suisse group companies.

### **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 he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Donations**

There were no charitable donations during the year (2010 US\$Nil).

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, KPMG Audit Plc continues in office as the Company's auditor.

### **Prompt payment code**

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

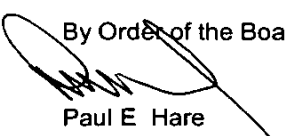
### **International financial reporting standards**

The Company's 2011 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU").

### **Subsequent events**

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

By Order of the Board



Paul E Hare  
Company Secretary  
One Cabot Square  
London E14 4QJ  
30 April 2012

Company Registration Number 03468370

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## CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs 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 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED

We have audited the financial statements of Credit Suisse First Boston PF (Europe) Limited for the year ended 31 December 2011 which comprise the Income Statement, the Statement of Financial Position, the Statements of Changes in Equity, the Cash Flow Statement, 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).



In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### 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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

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

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

Nicholas J Edmonds  
(Senior Statutory Auditor)  
For and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

15 Canada Square  
London  
United Kingdom  
E14 5GL  
30 April 2012

CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED  
STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 US\$	2010 US\$
Fee income	4	150,420	5,023,827
Fee expense	4	<u>(150,420)</u>	<u>(5,023,827)</u>
<b>Net fee income</b>		<b>-</b>	<b>-</b>
Interest income	5	69,008	80,177
Interest expense	6	<u>(22,606)</u>	<u>(16,125)</u>
<b>Net interest income</b>		<b>46,402</b>	<b>64,052</b>
<b>Total operating income</b>		<b>46,402</b>	<b>64,052</b>
Administrative & other income	7	14,373	43,106
Foreign exchange (loss)		<u>(4,701)</u>	<u>(107,538)</u>
<b>Profit / (loss) before tax</b>		<b>56,074</b>	<b>(380)</b>
Income tax (expense) / benefit	8	<u>(23,763)</u>	<u>16,382</u>
<b>Profit after tax</b>		<b>32,311</b>	<b>16,002</b>

Profit for 2011 and 2010 are from continuing operations

There is no other comprehensive income for the current and prior years. Accordingly no statement of other comprehensive income is provided.

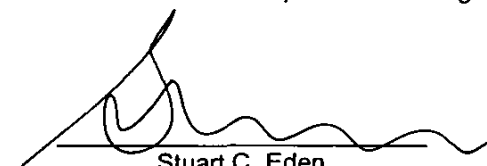
The notes on pages 11 to 22 form an integral part of these financial statements.

CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED  
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	2011 US\$	2010 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Amount due from related companies		3	3
Trade and other receivables	9	285,790	444,883
<b>Total non-current assets</b>		<b>285,793</b>	<b>444,886</b>
<b>Current assets</b>			
Trade and other receivables	9	145,123	2,012,699
Cash and cash equivalents	10	180,592	2,190,595
<b>Total current assets</b>		<b>325,715</b>	<b>4,203,294</b>
<b>Total assets</b>		<b>611,508</b>	<b>4,648,180</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Amount due to related companies	11	700,464	4,769,447
<b>Total current liabilities</b>		<b>700,464</b>	<b>4,769,447</b>
<b>Total liabilities</b>		<b>700,464</b>	<b>4,769,447</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	12	3	3
Retained earnings		(88,959)	(121,270)
<b>Total shareholders' equity</b>		<b>(88,956)</b>	<b>(121,267)</b>
<b>Total shareholders' equity and liabilities</b>		<b>611,508</b>	<b>4,648,180</b>

The notes on pages 11 to 22 form an integral part of these financial statements

Approved by the Board of Directors on 30 April 2012 and signed on its behalf by

  
Stuart C Eden  
Director



CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED  
 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER  
 2011

	Share capital	Retained earnings	Total
	US\$	US\$	US\$
Balance at 1 January 2011	3	(121,270)	(121,267)
Total recognised income and (expense) for the year	-	32,311	32,311
<b>Balance at 31 December 2011</b>	<b>3</b>	<b>(88,959)</b>	<b>(88,956)</b>

	Share capital	Retained earnings	Total
	US\$	US\$	US\$
Balance at 1 January 2010	3	(137,272)	(137,269)
Total recognised income and (expense) for the year	-	16,002	16,002
<b>Balance at 31 December 2010</b>	<b>3</b>	<b>(121,270)</b>	<b>(121,267)</b>

The notes on pages 11 to 22 form an integral part of these financial statements

CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 US\$	2010 US\$
Profit / (Loss) before tax for the year		56,074	(380)
<b>Adjustments to reconcile net income to net cash from operating activities</b>			
Non-cash items included in profit before tax and other adjustments			
Interest income		(69,008)	(80,177)
Interest expense		22,606	16,125
Foreign exchange loss / (gain)		2,213	35,775
Net decrease / (increase) in operating assets			
Trade and other receivables		2,016,144	(1,685,724)
Net (decrease) / increase in operating liabilities			
Amount due to related companies		(4,079,150)	3,488,346
<b>Cash (used in) / generated from operating activities</b>		<b>(2,051,121)</b>	<b>1,773,965</b>
Interest received		68,866	78,093
Interest paid		(25,535)	(12,040)
<b>Net cash flow (used in) / generated from operating activities</b>		<b>(2,007,790)</b>	<b>1,840,018</b>
Effects of exchange rate changes on the balance of cash held in foreign currency		(2,213)	(35,775)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,010,003)</b>	<b>1,804,243</b>
Cash and cash equivalents at the beginning of the year	10	2,190,595	386,352
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>180,592</b>	<b>2,190,595</b>

The notes on pages 11 to 22 form an integral part of these financial statements

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# CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 1 General

Credit Suisse First Boston PF (Europe) Limited is a company domiciled in the United Kingdom

### 2 Going concern basis

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

### 3. Significant accounting policies

#### (a) Statement of compliance

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

#### (b) Basis of preparation

The financial statements are presented in United States dollars (US\$) and are prepared on historical cost basis.

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

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

#### Standards and Interpretations effective in the current period

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

- Revised IAS 24 Related Party Disclosures – In November 2009, the IASB issued revisions to IAS 24 "Related Party Disclosures" (IAS 24) effective from 1 January 2011. The objective of the revised IAS 24 is to simplify and ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. The Company has adopted the revisions to IAS-24 and these did not have a material impact on the existing related party disclosures. For further information refer to *Note-13 Related Parties*.
- Improvements to IFRSs (Issued by IASB in May 2010) - These amendments which resulted from IASB's annual improvements project comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual IFRS standards. The adoption of Improvements to IFRS's did not have a material impact on the Company's Financial Position, results of operations or Cash Flows.

CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2011

**3 Significant accounting policies (continued)**

**(b) Basis of preparation (continued)**

**Standards and Interpretations effective in the current period (continued)**

- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments – In November 2009, the IASB issued IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments". The adoption of IFRIC 19 did not have a material impact on the Company's Financial Position, results of operations or Cash Flows.

**Standards and Interpretations in issue but not yet effective**

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

- Amendments to IFRS 7 Disclosures- Transfers of Financial Assets The amendments improved the understanding of transfer transactions of financial assets by users of financial statements, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transferred transactions are undertaken around the end of reporting period. The amendments are effective for annual periods beginning on or after 01 July 2011. As the amendments are for disclosures only, the adoption of the standard will not have a material impact on the Company's Financial Position, results of operations or Cash Flows.
- In October 2010, IASB issued disclosures – Transfer of financial asset (Amendment to IFRS 7) with an effective date of 1 July 2011.
- In October 2010, IASB issued IFRS 9 Financial Instruments (IFRS 9 (2010)) with an effective date of 1 January 2013. Early adopters may elect to adopt for periods ending before 1 January 2013.
- In June 2011, IASB issued Presentation of items of Other Comprehensive Income effective from 1 July 2011.
- IFRS 13 Fair Value Measurement published by IASB in May 2011, replaces existing guidance on fair value measurement in different IFRS's with a single definition of Fair Value, a framework of measuring fair values and disclosures about fair value measurements.
- IFRS 9 Accounting for financial liabilities and derecognition was issued by IASB in October 2010, is effective from 1 January 2013.
- IAS 32 Financial Instruments Presentation Amendments to application guidance on the offsetting of financial assets and financial liabilities was issued in December 2011, is effective from 1 January 2013.

Certain reclassifications have been made to the prior year Financial Statements of the Company to conform to the current year's presentation. These reclassifications are not material.

**CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31**  
**DECEMBER 2011**

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

**(c) Foreign currency**

The functional currency of the Company is United States Dollar (US\$). Transactions denominated in currencies other than the functional currency of the Company are recorded by translating to the functional currency of the Company at the exchange rate on the date of the transaction. At the balance sheet date, monetary assets and liabilities such as receivables and payables are reported using the spot exchange rates applicable at that date. Exchange rate differences are reported in the income statement. Non-monetary assets and liabilities denominated in foreign currencies at balance sheet date are not revalued for movements in foreign exchange rates.

**(d) 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 an insignificant risk of changes in their fair value and that are held for cash management purposes.

**(e) Trade and other 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. They are initially measured at fair value plus incremental direct transaction costs and are subsequently measured at their amortised cost on an effective yield basis.

**(f) Amounts due to and from related companies**

Amounts due to and from related parties are loans and receivables which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially measured at fair value plus incremental direct transaction costs, and are subsequently measured at their amortised cost on an effective yield basis.

**(g) Interest income and expense**

Interest income includes interest received and accrued on the Company's third party receivables and bank interest. Interest expense includes interest on the Company's payables to related group companies and bank charges. Interest income and expense are recognised on an effective yield basis.

**(h) Fee income and expense**

Fee income is recognised when all of the following criteria have been met: persuasive evidence of the agreement exists, services have been rendered, the amount of fee can be measured reliably and collectability is reasonably assumed, the state of completion of the transaction at the balance sheet date can be measured reliably, and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Fee expense is recognised when all of the following criteria have been met: persuasive evidence of the agreement exists, services have been rendered, the amount of fee can be measured reliably, the state of completion of the transaction at the balance sheet date can be measured reliably, and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2011

**3 Significant accounting policies (continued)**

**(i) Income taxes**

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

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 at the balance sheet date.

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

**(j) Deferred tax**

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax-base. The temporary difference arises from the depreciation of property, plant and equipment. 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 balance sheet, using tax rates enacted or substantively enacted at the balance sheet date.

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.

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

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

**(l) Fair value**

The Company reports fair values in the financial statements with respect to financial instruments. Fair value may be objective, as is the case for exchange-traded instruments, for which quoted prices in price-efficient and liquid markets generally exist, or as is the case where a financial instrument's fair value is derived from actively quoted prices or pricing parameters or alternative pricing sources with a reasonable level of price transparency. For financial instruments that trade infrequently and have little price transparency, fair value may be subjective and require varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The fair value of all financial assets and liabilities approximates to the book value.

CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2011

**3 Significant accounting policies (continued)**

**(k) Critical accounting estimates and judgements in applying accounting policies (continued)**

**(ii) Deferred tax**

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax-base. The temporary difference arises from the depreciation of property, plant and equipment. 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 balance sheet, using tax rates enacted or substantively enacted at the balance sheet date.

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.

**(iii) Tax contingencies**

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

**4 Fee income and fee expense**

Fee income of US\$ 150,420 (2010 US\$ 5,023,827) represents income receivables from third parties for rendering of services on behalf of Credit Suisse Securities (Europe) Limited.

Fee expense of US\$ 150,420 (2010 US\$ 5,023,827) represents service charges payable to Credit Suisse Securities (Europe) Limited under a Service Level Agreement.

**5. Interest income**

The interest income of US\$ 69,008 (2010 US\$ 80,177) represents interest on the Company's receivables from third parties of US\$ 65,247 (2010 US\$ 79,038) and bank interest of US\$ 3,761 (2010 US\$ 1,139) on the nostro accounts held with Credit Suisse AG, Zurich.

**6. Interest expense**

The interest expense of US\$ 22,606 (2010 US\$ 16,125) represents interest on the Company's payables to Credit Suisse AG, London Branch of US\$ 22,534 (2010 US\$ 15,978) and bank charges of US\$ 72 (2010 US\$ 147).

CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2011

**7. Administrative & other income**

	2011 US\$	2010 US\$
Release of prior year audit fees accruals	14,373	43,106
<b>Total administrative &amp; other income</b>	<b>14,373</b>	<b>43,106</b>

The audit fees of the Company for 2011 amounting to USD 11,935 (2010 USD 15,421) will be paid by another group company

Release of prior year audit fee accruals represents reversal of audit fees provision as it was incurred by another group company

**8. Income tax benefit**

**Components of tax expense**

	2011 US\$	2010 US\$
Current tax on profit / (loss) for the period	11,693	(16,382)
Adjustments in respect of previous periods	12,070	-
<b>Total income tax expense/ (benefit)</b>	<b>23,763</b>	<b>(16,382)</b>

The income tax charge for the year can be reconciled to the profit / (loss) per the income statement as follows

	2011 US\$	2010 US\$
Profit / (loss) before tax	56,074	(380)
Profit / (loss) before tax multiplied by the UK statutory rate of corporation tax at the rate of 26.5% (2010 28%)	14,855	(106)
Permanent differences	(3,162)	(16,276)
Adjustments in respect of previous periods	12,070	-
<b>Income tax expense/ (benefit)</b>	<b>23,763</b>	<b>(16,382)</b>

The Company is subject to corporation tax in the United Kingdom at a rate of 26.5% (2010 28%)

The Company had no deferred tax assets or liabilities at either 31 December 2011 or 31 December 2010

**9. Trade and other receivables**

	2011 US\$	2010 US\$
Receivables from third parties		
- Current – interest-bearing	145,123	2,002,032
- Non Current – interest bearing	285,790	444,883
Receivables from group company	-	10,667
<b>Total trade and other receivables</b>	<b>430,913</b>	<b>2,457,582</b>



CREDIT SUISSE FIRST BOSTON PF (EUROPE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
DECEMBER 2011

**9 Trade and other receivables (continued)**

Included within amounts due is accrued interest due to the Company of US\$ 2,226 (2010 US\$ 2,084) on the balance of the receivables. The effective interest rate for the third party receivable was 1.90% (2010 2.72%).

For receivables, the fair value is assumed to approximate to book value.

**10 Cash and cash equivalents**

	<b>2011 US\$</b>	<b>2010 US\$</b>
Cash at bank and on hand	<u>180,592</u>	<u>2,190,595</u>
<b>Total cash and cash equivalents</b>	<b><u>180,592</u></b>	<b><u>2,190,595</u></b>

Cash and cash equivalents relate to nostro accounts held with Credit Suisse AG, Zurich. The fair value of cash and cash equivalents approximates to book value.

**11 Amounts due to related companies**

	<b>2011 US\$</b>	<b>2010 US\$</b>
Amounts payable to Credit Suisse Securities (Europe) Limited – Current	257,523	1,154,589
Amounts payable to Credit Suisse AG, London Branch (loan) – Current	428,689	3,610,773
Amounts payable to Credit Suisse AG, London Branch (Accrued Interest) - Current	1,156	4,085
Group relief payable	<u>13,096</u>	<u>-</u>
<b>Total amount due to related companies</b>	<b><u>700,464</u></b>	<b><u>4,769,447</u></b>

Payables to Credit Suisse AG, London Branch relate to loan received. The payable to Credit Suisse Securities (Europe) Limited relates to amounts, which fall due upon receipt of the fees from the Company's clients under the Service level agreement. The effective interest rate for CS London Branch loan was 1.59% (2010 0.76%).

For payables, the fair value approximates the book value, given the short-term nature of these instruments.

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**12. Share capital**

	<b>2011</b>	<b>2010</b>
	<b>US\$</b>	<b>US\$</b>
Authorised Equity 1,000 Ordinary shares of GBP1 each	<u>1,689</u>	<u>1,689</u>
Allotted, called up and fully paid Equity 2 Ordinary shares of GBP1 each	<u>3</u>	<u>3</u>

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

During the year the Company made no share issues (2010 US\$ Nil) and no dividends were paid or proposed (2010 US\$ Nil)

**Capital management**

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

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital and accumulated losses

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

**13. Related party transactions**

The Company is a wholly owned subsidiary of Credit Suisse Securities (Europe) Limited, incorporated in England and Wales. The ultimate holding company is Credit Suisse Group AG, which is incorporated in Switzerland.

Copies of accounts of the parent undertaking and group accounts of the ultimate holding company, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff, CF14 3UX, United Kingdom and Credit Suisse Group, Paradeplatz, P O Box 1, 8070 Zurich, Switzerland respectively.

The Company has significant related party balances with Credit Suisse Securities (Europe) Limited, Credit Suisse AG London Branch and Credit Suisse AG Zurich. The transactions with Credit Suisse Securities (Europe) Limited comprise of payables and charges net of such amounts as may be reasonably required by the Company to cover its day to day operational expenses under the Service Level Agreement that mainly relate to the origination, marketing, structuring and provision of other related services. The transactions with Credit Suisse AG, London Branch comprise of a loan and related interest which funds the payables to Credit Suisse Securities (Europe) Limited. The transactions with Credit Suisse AG Zurich, consists of the nostro accounts and the related interest.

The Company generally enters into the above transactions in the ordinary course of business on market terms that could be obtained from unrelated parties.

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13 Related party transactions (continued)

a) Related party assets and liabilities

	2011		2010	
	Parent	Fellow group companies	Parent	Fellow group companies
	US\$	US\$	US\$	US\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Amounts due from related companies	3	-	3	-
<b>Current assets</b>				
Amounts due from related companies	-	-	-	10,667
Cash and cash equivalents	-	180,592	-	2,190,595
<b>Total related party assets</b>	<b>3</b>	<b>180,592</b>	<b>3</b>	<b>2,201,262</b>

	2011		2010	
	Parent	Fellow group companies	Parent	Fellow group companies
	US\$	US\$	US\$	US\$
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Amounts due to related companies	(257,523)	(442,941)	(1,154,589)	(3,614,858)
<b>Total related party liabilities</b>	<b>(257,523)</b>	<b>(442,941)</b>	<b>(1,154,589)</b>	<b>(3,614,858)</b>

b) Related party revenues and expenses

	2011		2010	
	Parent	Fellow group companies	Parent	Fellow group companies
	US\$	US\$	US\$	US\$
Fee expense	(150,420)	-	(5,023,827)	-
Interest income	-	3,761	-	1,139
Interest expense	-	(22,606)	-	(16,125)
<b>Total related party revenues and expenses</b>	<b>(150,420)</b>	<b>(18,845)</b>	<b>(5,023,827)</b>	<b>(14,986)</b>

c) Remuneration of directors and key management personnel

The directors and key management personnel did not receive any remuneration in respect of their services as directors of the Company (2010 US\$ Nil) The directors and key management personnel are employees of its related companies and the Company does not reimburse its related companies for the services rendered by these directors and key management personnel

All directors benefited from qualifying third party indemnity provisions

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 period (2010 US\$ Nil)

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**14 Employees' remuneration**

The Company had no employees during the year (2010 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.

**15 Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk (including currency 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.

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

The Company has exposure to the following financial risks from its use of financial instruments:

- Foreign exchange risk
- Credit risk
- Liquidity risk
- Market risk
- Cash flow and interest rate risk

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

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

**a) Foreign exchange risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the EUR and the GBP. Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities.

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



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**15 Financial risk management (continued)**

**a) Foreign exchange risk (continued)**

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

	<b>2011 EUR</b>	<b>2010 EUR</b>	<b>2011 GBP</b>	<b>2010 GBP</b>
Bank account with CS Zurich	21,695	699,465	98,818	810,125
Third party receivables	332,996	360,231	-	1,267,790
<b>Total monetary assets</b>	<b>354,691</b>	<b>1,059,696</b>	<b>98,818</b>	<b>2,077,915</b>
Loan from CS AG London Branch	332,170	378,987	-	2,004,921
<b>Total monetary liabilities</b>	<b>332,170</b>	<b>378,987</b>	<b>-</b>	<b>2,004,921</b>
<b>Net exposure</b>	<b>22,521</b>	<b>680,709</b>	<b>98,818</b>	<b>72,994</b>

**b) Credit risk**

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 counterparties. The Company has policies that limit the amount of credit exposure to any financial institution.

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

	<b>Banks</b>		<b>Customer</b>	
<b>Distribution of loans and receivables neither past due nor impaired:</b>	<b>2011 US\$</b>	<b>2010 US\$</b>	<b>2011 US\$</b>	<b>2010 US\$</b>
AAA	-	-	-	-
AA+ to AA-	-	-	-	-
A+ to A-	180,592	2,190,595	3	10,670
BBB+ to BBB-	-	-	-	-
BB+ to BB-	-	-	-	-
B+ and below	-	-	-	-
<b>Total Neither past due nor impaired</b>	<b>180,592</b>	<b>2,190,595</b>	<b>3</b>	<b>10,670</b>

The Company's receivables from third party amounting to USD 430,913 have not been rated by any rating agency.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Credit Suisse Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

The remaining contractual maturity for amounts due to related companies are short term in nature and approximate their carrying value as at 31 December 2011 in an "on demand" categorisation.

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

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**15 Financial risk management (continued)**

**c) Liquidity risk**

**2011**

	On demand US\$	Due within 3 months US\$	Due between 3 and 12 months US\$	Due between 1 and 5 Years US\$	Due after 5 years US\$	Total US\$
Amounts owed to Credit Suisse group	270,619	429,845	-	-	-	700,464
<b>Total financial liabilities</b>	<b>270,619</b>	<b>429,845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700,464</b>

**2010**

	On demand US\$	Due within 3 months US\$	Due between n 3 and 12 months US\$	Due between 1 and 5 Years US\$	Due after 5 years US\$	Total US\$
Amounts owed to Credit Suisse group	1,154,589	3,614,858	-	-	-	4,769,447
<b>Total financial liabilities</b>	<b>1,154,589</b>	<b>3,614,858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,769,447</b>

**d) 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) Currency risk**

Foreign exchange risk related to accrued net income and net assets are centrally and systematically managed with a focus on risk reduction and diversification. Risk is monitored and managed at an entity level through the levelling of accrued profit and losses which are incurred in a currency other than the entity's functional currency.

**ii) Cash flow and interest rate risk**

The Company has significant interest bearing financial assets in the form of amounts due to related companies and due from third party. Interest rates on amounts due to related companies and due from third party typically resets within 3 months and 6 months respectively 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.

Sensitivity analysis has not been performed by the Company. Sensitivity analysis has been performed by the CS Group.

**16. Subsequent events**

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