

**DLJ Group Limited**  
(formerly known as DLJ Phoenix Group Limited)

**Directors' report and financial statements**

**Year ended 31 December 2000**

Registered number 2479336



## Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2000.

### Results and dividends

The results for the year and movements in reserves are set out on page 4.  
The directors do not recommend the payment of a final dividend. ( 1999 : Nil)

### Principal activity

The principal activity of the company during the year was that of acting as an investment holding company. The group includes subsidiary undertakings whose principal activities include the provision of corporate finance advice, investment management services and acting as general partners in limited partnerships formed to invest venture capital .

### Events during the period

In November 2000 the parent company, Donaldson, Lufkin and Jenrette Inc, was acquired by Credit Suisse First Boston.

### Events since the balance sheet date

On the 16 February 2001 the Company sold Modal Capital Partners Limited to Credit Suisse First Boston UK Investments.

On the 26 March 2001 the Company sold DLJ European Private Equity to its management.

On the 18 April 2001 the Company changed its name from DLJ Phoenix Group Limited to DLJ Group Limited.

### Review of the business

The directors consider the results for the year to be satisfactory.

In 2000 the Company wrote down the carrying value of its investments in Modal Capital Partners Limited and DLJ European Private Equity to the recoverable amounts.

### Directors

The directors who held office during the year were as follows :

P A G Seers	(resigned 17 August 2000)
M G Smith	(resigned 21 December 2000)
D A C Reid Scott	(resigned 26 February 2001)
J L P Seet	(resigned 14 December 2000)
C M Hale	
J P W Harriman	
P V Gormley	(resigned 28 July 2000)
C P Michaelides	

There are no disclosable interests under Section 324 of the Companies Act 1985.

By order of the Board

  
N J Hornsey  
Secretary

One Cabot Square  
London E14 4QJ  
18<sup>th</sup> October 2001

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**Report of the Auditors  
to the members of DLJ Group Limited**

We have audited the financial statements on pages 4 to 10.

***Respective responsibilities of directors and auditors***

The directors are responsible for preparing the directors' report and, as described on page 2 the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

***Basis of opinion***

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

***Opinion***

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*  
*London*

**18** October 2001

**Profit and Loss Account***for the year ended 31 December 2000*

	Note	£	Exceptional £	Total 2000 £	1999 £
<b>Turnover</b>		-	-	-	-
Administrative Expenses		(123,124)	(7,872,709)	(7,995,833)	(2,819)
<b>Operating Loss</b>		(123,124)	(7,872,709)	(7,995,833)	(2,819)
Other interest receivable and similar income				519,734	692,078
<b>(Loss) / Profit on ordinary activities before taxation</b>				(7,476,099)	689,259
Tax credit / (charge)	5			49,212	(206,817)
<b>(Loss) / Profit on ordinary activities after taxation</b>				(7,426,887)	482,442
Dividends received				4,070,000	-
<b>(Loss) / Profit retained for the year</b>				(3,356,887)	482,442
Retained profit brought forward				1,374,663	892,221
Retained (loss) / profit carried forward				(1,982,224)	1,374,663

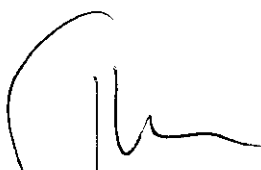
There are no recognised gains or losses during the year or the prior year other than the profit or loss of the financial years which arose from continuing operations.

The notes on pages 6 to 10 form part of the financial statements.

**Balance Sheet**  
*at 31 December 2000*

	Note	£	2000 £	£	1999 £
<b>Fixed Assets</b>					
Investments	6		7,159,360		15,657,069
<b>Current Assets</b>					
Debtors	7	14,028,019		8,659,436	
Cash at bank		545,556		1,144,002	
		<u>14,573,575</u>		<u>9,803,438</u>	
<b>Creditors : amount falling due within one year</b>	8	<u>(12,339,179)</u>		<u>(12,709,864)</u>	
<b>Net Current Assets / (Liabilities)</b>			2,234,396		(2,906,426)
<b>Total Assets Less Current Liabilities</b>			<u>9,393,756</u>		<u>12,750,643</u>
<b>Capital and reserves</b>					
Called up share capital	9		58,062		58,062
Share premium account			10,914,918		10,914,918
Capital redemption reserve			403,000		403,000
Profit and loss account			(1,982,224)		1,374,663
<b>Equity Shareholders' Funds</b>			<u>9,393,756</u>		<u>12,750,643</u>

These financial statements were approved by the Board of Directors on 18<sup>th</sup> October 2001 and were signed on its behalf by:



**J P W Harriman**  
**Director**

The notes on pages 6 to 10 form part of these financial statements.

## Notes to the financial statements

### 1. Accounting Policies

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

The Company is exempt from the requirement to prepare and deliver group accounts as provided by Section 228(1) of the Companies Act 1985. It is included in the group accounts of DLJ International Group Limited.

#### *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling on the day of the transaction. All exchange differences are taken to the profit and loss account.

#### *Investments*

Fixed asset investments are shown at cost less provision for any permanent diminution in value.

On the 16 February 2001, the investment in DLJ Phoenix Securities Limited was sold to CSFB UK Investment Limited. On the 3 March 2001, the investment in DLJ Phoenix Private Equity was sold.

#### *Cash flow statement*

The company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised 1996) as it is a wholly owned subsidiary undertaking of a company which prepares consolidated financial statements which are publicly available.

#### *Related party disclosures*

The company is exempt from the disclosure requirements of Financial Reporting Standard 8, Related Party Disclosures, as it is a wholly owned subsidiary undertaking of a company that prepares consolidated financial statements which are publicly available.

### 2. Auditors Remuneration

The remuneration of the auditors has been borne by a fellow subsidiary undertaking.

Notes *(continued)***3. Employees and Directors**

	<b>2000</b>	<b>1999</b>
	<b>No.</b>	<b>No.</b>
The average number of employees including directors during the year was as follows:		
Office and management	<u>8</u>	<u>13</u>
	<b>£</b>	<b>£</b>
The costs included in respect of these employees were:		
Wages and salaries	<u>-</u>	<u>1,250</u>
	<u>-</u>	<u>1,250</u>

**4. Directors**

No charges were made to the company in respect of the services provided by the Directors of the Company. Directors are employed by other members of the Donaldson, Lufkin & Jenrette Group and their remuneration is incorporated in the financial statements of those companies.

**5. Tax on profit on ordinary activities**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Taxation is based on the taxable profits for the year and comprises:		
Group relief payable : nil (1999: 30.25%)	-	(206,817)
ACT recovered	<u>49,212</u>	<u>-</u>
Tax credit / (charge)	<u>49,212</u>	<u>(206,817)</u>



Notes (*continued*)**6. Fixed asset investments****Subsidiary undertakings**

At 31 December 2000, DLJ Group Limited had the following wholly owned subsidiary undertakings, all of which are incorporated and registered in England and Wales (unless otherwise indicated):

<b>Subsidiary</b>	<b>Nature of business</b>
Modal Capital Partners Limited (formerly known as Phoenix Securities Limited)	Provision of investment banking services
DLJ European Private Equity Limited (formerly known as DLJ Phoenix Private Equity Limited)	Fund management
DLJ Investment Partner Limited (formerly known as Phoenix General Partner Limited)	General partner in limited partnership
DLJ Investment Partner II Limited (formerly known as Phoenix General Partner II Limited)	General partner in limited partnership
DLJ Insurance Services Limited (formerly known as Phoenix Insurance Services Limited)	Investment holding company
DLJ Media Limited (formerly known as Phoenix Media Limited)	Dormant company
DLJ First Investment Partner Limited (formerly known as Phoenix First General Partner Limited)	Investment holding company
DLJ Securities Investments Limited (formerly known as Phoenix Securities Investments Limited)	Investment holding company
DLJ PSH Limited	Dormant company
Phoenix Guernsey Group Limited	Dormant company registered in Guernsey
Phoenix Securities International Limited	Dormant company
Phoenix Equity Nominees Limited	Nominee company

## Notes (continued)

The carrying value of the investment in subsidiary companies was made up as follows:	2000 £	1999 £
Cost of shares in Modal Capital Partners Limited (formerly known as DLJ Phoenix Securities Limited)	12,293,563	12,293,563
Less dividend received from Modal Capital Partners Limited, paid out of pre-acquisition profits	(3,270,000)	(3,270,000)
	9,023,563	9,023,563
Impairment of investment in Modal Capital Partners Limited	(1,925,209)	-
Net book value as at 31 December 2000	7,098,354	9,023,563
Cost of shares in DLJ European Private Equity Limited (formerly known as DLJ Phoenix Private Equity Limited)	5,957,500	5,957,500
Impairment of investment in DLJ European Private Equity Limited	(5,947,500)	-
Net book value as at 31 December 2000	10,000	5,957,500
Cost of shares in:		
DLJ Investment Partner Limited (formerly known as Phoenix General Partner Limited)	1,000	1,000
DLJ Investment Partner II Limited (formerly known as Phoenix General Partner II Limited)	2	2
DLJ Insurance Services Limited (formerly known as Phoenix Insurance Services Limited)	2	2
DLJ Media Limited (formerly known as Phoenix Media Limited)	2	2
DLJ First Investment Partner Limited (formerly known as Phoenix First General Partner Limited)	50,000	50,000
Subordinated loan to DLJ European Private Equity Limited	-	625,000
	7,159,360	15,657,069

After the year end, Modal Capital Partners Limited & DLJ European Private Equity Limited were sold by the Group. In 2000, the Group wrote down the carrying values of its investments in both companies to the recoverable amount. For each of these investments, the written down value at 31 December 2000 was equal to the proceeds of the subsequent sale.

## 7. Debtors

	2000 £	1999 £
ACT recoverable	-	9,293
Amounts due from group undertakings	14,024,519	8,620,973
Other debtors	3,500	-
Prepayments and accrued income	-	29,170
	14,028,019	8,659,436

## Notes (continued)

**8. Creditors: amounts falling due within one year**

	2000 £	1999 £
Amounts due to subsidiary undertakings	12,337,109	12,709,864
Other creditors including taxation and social security	2,070	-
	<u>12,339,179</u>	<u>12,709,864</u>

**9. Share capital**

	2000 £	1999 £
<i>Authorised 1,353,320 ordinary shares of 10p each</i>	135,320	135,320
<i>Allotted and fully paid 580,623 ordinary shares of 10p each</i>	<u>58,062</u>	<u>58,062</u>

**10. Reconciliation of movements in Equity Shareholders' Funds**

	Share Premium £	Capital Redemption Reserve £	Profit & Loss Account £	Total £
As at 1 January 2000	10,914,918	403,000	1,374,663	12,692,581
Loss for the year	-	-	(3,356,887)	(3,356,887)
As at 31 December 2000	<u>10,914,918</u>	<u>403,000</u>	<u>(1,982,224)</u>	<u>9,335,694</u>

**11. Parent and ultimate holding company**

The ultimate parent undertaking is Credit Suisse Group a company incorporated in Switzerland.

The most immediate parent company preparing consolidated financial statements which include the company's financial statements is DLJ International Group Limited, a company registered in England and Wales and the ultimate parent preparing such financial statements is Credit Suisse Group.

Copies of all the Group financial statements can be obtained from Credit Suisse Group, Rmd 12, P.O. Box 669, 8021 Zurich, Switzerland.