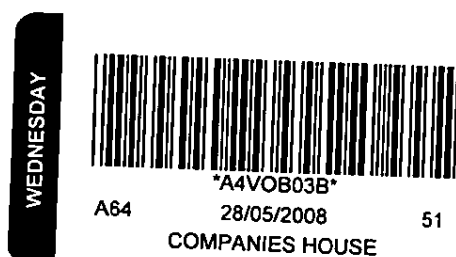

Limit Corporate Members Limited

Annual Report

31 December 2007



Registered Number 2854076

LIMIT CORPORATE MEMBERS LIMITED

ANNUAL REPORT

for the year ended 31 December 2007

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LIMIT CORPORATE MEMBERS LIMITED

DIRECTORS AND OFFICERS

Directors

S P Burns
D M Lang resigned 30 September 2007
D J Winkett

Company secretary

A C H Williams resigned 15 May 2007
S M Boland appointed 15 May 2007

Registered office

Plantation Place
30 Fenchurch Street
London
EC3M 3BD

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

LIMIT CORPORATE MEMBERS LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2007

Principal activity

The principal activity of the company is to act as a holding company for the Lloyd's corporate members. This will continue to be the principal activity of the company for the foreseeable future.

Business review and future developments

The company did not receive any income or incur any expenditure and therefore made no profit or loss during the year.

As described in note 2 to the Financial Statements, a prior year adjustment has been made relating to an investment in subsidiary undertaking Limit (No 10) Limited. This has resulted in an asset of £7,499,999 being recognised in shares in group undertakings together with an impairment of £7,499,999.

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.

The Company's net liabilities are expected to be cleared by dividend receipts from its subsidiaries in the first half of 2008.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the UK group and are not managed separately. Accordingly, the principal risks and uncertainties of the QBE International Holdings (UK) PLC group, which include those of the company, are discussed as part of the group's annual report which does not form part of this report.

Directors

Details of the directors that served during the year are shown on page 2.

At no time during the year did any director have a beneficial interest in the shares of the Company.

The directors are not required to disclose any interests they may have in the shares of the ultimate controlling entity, QBE Insurance Group Limited, which is incorporated in Australia.

Creditor payment policy

The company does not follow a published code or standard on payment practice, although its policy is to pay amounts due within the relevant period of credit included in the terms and conditions under which business transactions with suppliers are conducted. Limit Corporate Members Limited has no trade creditors.

Auditors

The shareholders have dispensed with the requirement to hold annual general meetings and with the requirement to appoint auditors annually, through an elective resolution. PricewaterhouseCoopers LLP continue to be the Company's auditors.

LIMIT CORPORATE MEMBERS LIMITED

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company. In preparing those financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently, with the exception of changes arising on the adoption of new accounting standards in the year,
- 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, 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 confirm they have complied with the above requirements in preparing the financial statements

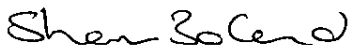
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

Each of the persons who is a Director at the date of this report confirms that

- so far as each of the Directors is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2007 of which the auditors are unaware, and
- the Director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By order of the board



S M Boland
Secretary
London
22 May 2008

LIMIT CORPORATE MEMBERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIMIT CORPORATE MEMBERS LIMITED

We have audited the financial statements of Limit Corporate Members Limited for the year ended 31 December 2007 which comprise the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. We also report to you whether, in our opinion, the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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 information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

23 May 2008

LIMIT CORPORATE MEMBERS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2007

	Notes	2007 £	2006 £
Total recognised losses in the year		-	-
Prior period adjustment	2	(7,499,999)	-
Total recognised losses since the last Financial Statements		(7,499,999)	-

The notes set out on pages 8 to 10 form an integral part of these financial statements

LIMIT CORPORATE MEMBERS LIMITED

BALANCE SHEET

at 31 December 2007

	Notes	2007 £	2006 (restated) £
Assets			
Fixed assets			
Shares in group undertakings	6	112	112
Creditors: amounts falling due within one year			
Amounts owed to group undertakings		(7,500,101)	(7,500,101)
Total net liabilities		(7,499,989)	(7,499,989)
Capital and reserves			
Called up share capital	7,8	10	10
Profit and loss reserve	8	(7,499,999)	(7,499,999)
Total shareholders' funds	8	(7,499,989)	(7,499,989)

These financial statements were approved by the board of directors on 22 May 2008 and signed on its behalf by



D J Winkett
Director

The notes set out on pages 8 to 10 form an integral part of these financial statements

LIMIT CORPORATE MEMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

1. Accounting policies

(a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with Section 226A of, and Schedule 4 to, the Companies Act 1985, the accounting policies set out below, and in accordance with applicable accounting standards

In accordance with Section 228 of the Companies Act 1985, the Company is exempt from preparing group financial statements. The Company's ultimate European controlling entity, QBE International Holdings (UK) PLC, incorporated in Great Britain, prepares consolidated group financial statements, for the year ended 31 December 2007 in which the Company is included. The consolidated financial statements for QBE Insurance Group Limited, the ultimate parent company, are also publicly available.

(b) Cash flow statement and related party disclosure

The company is included in the consolidated financial statements of QBE Insurance Group Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under Financial Reporting Standard 1 (revised 1996). The company is also exempt under Financial Reporting Standard 8 from disclosing related party transactions.

(c) Investments

Investments in subsidiary undertakings are stated at cost less amounts written off for any impairment in value.

2. Prior Year Adjustment

During the year the directors became aware that an investment in the Company's subsidiary Limit (No 10) Limited had been previously omitted from the balance sheet and incorrectly reported in the balance sheet of Limit Holdings Limited, a fellow subsidiary undertaking. The correction of the position has been dealt with as a prior year adjustment in these financial statements.

Along with the transfer of the investment from Limit Holdings Limited and a related intercompany payable, the Company has also recognised a full impairment of the investment within this prior year adjustment.

As a result comparative figures for the year ended 31 December 2006 have been adjusted as follows:

	Equity shareholders' funds £
As previously reported	10
Prior year adjustments	(7,499,999)
As restated	(7,499,989)

3. Employees

The Company does not employ any staff as all staff were employed by QBE Management Services (UK) Limited, a fellow subsidiary undertaking. No recharge has been made to the Company for the services provided by these staff.

LIMIT CORPORATE MEMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2007

4. Directors' emoluments

The emoluments of the directors are paid by QBE Management Services (UK) Limited for their services to the group as a whole. No emoluments were payable to the directors in respect of their services to this company for the year ended 31 December 2007 (2006: £nil).

5. Auditors remuneration

Remuneration receivable by the Company's auditors for the auditing of these accounts of £3,204 (2006: £3,052) borne by QBE Management Services (UK) Limited. Fees for the supply of other services are also borne by group companies and are disclosed in total in the QBE International Holdings (UK) PLC group financial statements.

6. Shares in group undertakings

	2007 £	2006 (restated) £
Cost and net book value		
Opening balance	112	111
Purchase of shares in QBE Corporate Ltd	-	1
Closing balance	112	112

At 31 December 2007 the company had the following subsidiaries all of which are registered in England and Wales:

Held by Company	Incorporated in	Class of share	Holding in company	Principal activity
Managing aligned and continuing syndicate capacity				
QBE Corporate Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Managing aligned syndicate capacity not continuing after 2004 year of account				
Limit (No 2) Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Limit (No 3) Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Ensign Dedicated No 1 Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Managing non-aligned and discontinued syndicate capacity				
Limit (No 1) Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Limit (No 4) Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Limit (No 5) Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Limit (No 6) Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Limit (No 7) Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Limit (No 10) Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member
Torch Dedicated Corporate Member Limited	Great Britain	Ordinary	100%	Lloyd's Corporate Member

7. Share capital

	2007 £	2006 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted and fully paid		
10 Ordinary shares of £1 each	10	10

LIMIT CORPORATE MEMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2007

8. Reconciliation of movements in shareholders' funds

	Share capital £	Profit and loss reserve £	Total 2007 £	Total 2006 (restated) £
At 1 January	10	(7,499,999)	(7,499,989)	(7,499,989)
At 31 December	10	(7,499,999)	(7,499,989)	(7,499,989)

9. Ultimate holding company

The Company's ultimate controlling entity is QBE Insurance Group Limited, the ultimate parent company, which is incorporated in Australia. This is the largest group of undertakings into which the Company's financial statements are consolidated. The smallest group of undertakings for which the Company's financial statements are consolidated is QBE International Holdings (UK) PLC, which is incorporated in Great Britain. The consolidated accounts for QBE Insurance Group Limited and QBE International Holdings (UK) PLC are available at Plantation Place, 30 Fenchurch Street, London EC3M 3BD.

The Company's immediate parent company is Limit Holdings Limited, which is incorporated in Great Britain.