

**COTESWORTH CAPITAL LIMITED**  
**(In Provisional Liquidation)**

**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2009**

**Registered No: 3265777**

THURSDAY



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**COTESWORTH CAPITAL LIMITED**  
**(In Provisional Liquidation)**

**DIRECTORS AND ADVISERS**

**Directors**

N W Britten  
G Davies  
B G Devereese  
H G Simons

**Company Secretary**

W Scott

**Registered Office**

8 Salisbury Square  
London EC4Y 8BB

**Bankers**

Barclays Bank plc  
54 Lombard Street  
London EC3V 9EX

**Registered Auditor**

Littlejohn LLP  
Statutory Auditor  
1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

**Joint Provisional Liquidators**

T A Riddell and J M Wardrop  
KPMG LLP  
8 Salisbury Square  
London EC4Y 8BB

The directors present their report together with the accounts for the 12 months ended 31 December 2009 which contain the results of various underwriting Years of Account in run-off. The accounts have been prepared using the format for insurance companies and reflect the company's participations as a corporate underwriting member on a number of Lloyd's syndicates.

#### **Results and Dividends**

The profit for the period after taxation was £20,043,000 (2008: loss of £30,545,000). This profit has arisen principally as a result of an exchange gain of £13,717,000 on the US Dollar amounts owed to the Lloyd's New Central Fund.

No dividend has been declared on the current results.

#### **Review of the Business and Principal Activity and Future Developments**

The principal activity of the company in the period under review was that of a corporate underwriting member of Lloyd's. The company was placed in provisional liquidation on 28 September 2001 following the collapse of its ultimate parent undertaking HIH Insurance Limited. The accounts have therefore not been prepared on a going concern basis.

The company's only remaining Lloyd's participations during the year are shown below:

<b>Syndicate Number</b>	<b>1999 Year of Account £'000</b>	<b>2000 Year of Account £'000</b>	<b>2001 Year of Account £'000</b>
1688	65,000	75,000	82,500

The results for the period are shown on pages 9 to 10. Final results are in line with previous forecasts.

On 24 February 2010, a reinsurance to close (RITC) agreement was signed by RITC Syndicate Management Limited for all run-off years of Syndicate 1688 to close into Syndicate 5678 with effect from 31 December 2009.

#### **Risks and Uncertainties**

##### **Insurance Risk**

As all the Company's syndicate participations have now been closed, the Company is no longer exposed to insurance risk unless Lloyd's chain of security were to fail.

##### **Investment and Currency Risks**

Following the agreement with RITC Syndicate Management Limited for a Reinsurance to Close of the remaining open years of Syndicate 1688, the company is no longer exposed to investment and currency risks from its syndicate participations unless the Lloyd's chain of security were to fail.

The company has intercompany loans with other group companies and a loan from the Lloyd's New Central Fund which are denominated in foreign currencies. As a result the Company is still exposed to foreign exchange risk.

##### **Operational Risks**

As there are relatively few transactions actually undertaken by the company there are only limited systems and staffing requirements of the company which are fulfilled by the provisional liquidators and therefore operational risks are not considered to be significant.

**Directors**

The following served as directors during the year

N W Britten  
G Davies  
B G Devereese  
H G Simons  
The company has no employees

**Disclosure of Information to the Auditors**

Due to the circumstances of the Company the Directors, who held office at the date of approval of this Report of the Directors, cannot confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware, and also cannot confirm that 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 auditors are aware of that information

**Auditors**

Littlejohn LLP is the Company's statutory auditor and has signified its willingness to continue in office as auditors

Signed on behalf of the board

A handwritten signature in black ink, appearing to read 'B G Devereese', is written over the printed name.

BG Devereese  
17 September 2010

The Directors are responsible for preparing the Report of the Directors and the accounts in accordance with applicable law and regulations

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those accounts, the Directors are required to

Select suitable accounting policies and then apply them consistently,

Make judgements and accounting estimates that are reasonable and prudent,

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts

As explained in note 1 to the accounts, the Directors do not believe the going concern basis to be appropriate and these accounts have not been prepared on that basis

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 to enable them to ensure that the accounts comply with the Companies Act 2006. 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

The Directors cannot confirm that the accounts comply with the above requirements

Subsequent to joint provisional liquidators being appointed, the Directors are no longer 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 enabling them to ensure that the accounts comply with the Companies Act 2006. At the same time they ceased to be responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities

**Independent Auditor's report to the shareholders of Cotesworth Capital Limited (in Provisional Liquidation)**

We have audited the Accounts of Cotesworth Capital Limited (in Provisional Liquidation) for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders 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 6, the Directors are responsible for the preparation of the Accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the Accounts 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**

An audit involves obtaining evidence about the amounts and disclosures in the Accounts sufficient to give reasonable assurance that the Accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances, and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Accounts.

**Qualified opinion on accounts arising from limitation in audit scope**

In forming our opinion on the Accounts, we have considered the following matters:

- The audit evidence available to us was limited because the Directors are unable to confirm that the Accounts have been prepared in accordance with the requirements set out on page 6, nor can the Directors confirm that there is no relevant audit information of which we as auditors are unaware.
- Contrary to the provisions of the Companies Act 2006, the Accounts of the Company do not include in respect of the Company's Lloyd's participation a number of disclosures including segmental information, and an analysis of investments. These omissions do not have any effect on either the result for the year shown in the profit and loss account, nor the net liabilities as shown in the balance sheet.

Except for the non-disclosure of certain matters required by the Companies Act 2006 and the financial effects of any adjustments, if any, as might have been determined to be necessary had the Directors been able to confirm that the accounts had been prepared in accordance with the requirements set out on page 6 and that we had been provided with all relevant audit information, in our opinion the accounts:

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Independent Auditor's report to the shareholders of Cotesworth Capital Limited (in Provisional Liquidation)**  
**(continued)**

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

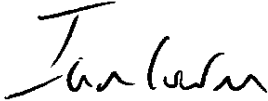
In respect solely of the limitation on our work referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we are unable to determine whether adequate accounting records had been kept

The Companies Act 2006 requires us to report to you if, in our opinion

- returns adequate for our audit have not been received from branches not visited by us, or
- the Accounts 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 nothing to report in respect of the above matters



**Ian Cowan (Senior statutory auditor)**

For and on behalf of Littlejohn LLP

Statutory auditor

28 September 2010

1 Westferry Circus  
Canary Wharf  
London E14 4HD



**COTESWORTH CAPITAL LIMITED**  
**(In Provisional Liquidation)**

**PROFIT AND LOSS ACCOUNT**

	Note	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
<b>Technical Account – General Business</b>			
Gross premiums written		(84)	394
Outward reinsurance premiums		(366)	(542)
		<u>(450)</u>	<u>(148)</u>
Change in provision for unearned premium			
- gross amount		-	-
- reinsurers' share		-	-
		<u>(450)</u>	<u>(148)</u>
<b>Earned premiums, net of reinsurance</b>			
Allocated investment return transferred from the non - technical account		665	3,017
Claims paid			
- gross amount		(7,299)	(12,923)
- reinsurers' share		916	3,033
		<u>(6,383)</u>	<u>(9,890)</u>
Change in the provision for claims			
- gross amount		9,670	13,055
- reinsurers' share		(970)	(940)
		<u>8,700</u>	<u>12,116</u>
<b>Claims incurred, net of reinsurance</b>		<u>2,317</u>	<u>2,226</u>
<b>Net operating expenses</b>			
Administrative expenses		17	(275)
<b>Balance on the technical account</b>		<u>2,549</u>	<u>4,820</u>

The syndicate on which the company participated has ceased to write new business and has now been closed

The Accounting Policies and Notes on pages 12 to 17 form an integral part of these Accounts

**COTESWORTH CAPITAL LIMITED**  
**(In Provisional Liquidation)**

**PROFIT AND LOSS ACCOUNT**

	Note	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
<b>Non – Technical Account</b>			
<b>Balance Transferred from General Business Technical Account</b>		2,549	4,820
Investment income		1,170	2,358
Net unrealised (losses)/gains on investments		(146)	686
Investment expenses and charges		(359)	(26)
Allocated investment return transferred to the general business technical account		(665)	(3,017)
Other income/charges – includes foreign exchange movements and funding of syndicate losses	3	17,497	(35,257)
<b>Profit / (Loss) on Ordinary Activities before Taxation</b>	5	<u>20,046</u>	<u>(30,436)</u>
Tax on Profit / (Loss) on Ordinary Activities	6	(3)	(109)
<b>Profit / (Loss) for the Financial year</b>	9	<u>20,043</u>	<u>(30,545)</u>

**Statement of Recognised Gains and Losses**

There are no recognised gains and losses other than those included in the profit and loss accounts above

The Accounting Policies and Notes on pages 12 to 17 form an integral part of these Accounts

**COTESWORTH CAPITAL LIMITED**  
(In Provisional Liquidation)


Registered Number: 3265777

**BALANCE SHEET**  
At 31 December 2009

	Note	2009 £'000	2008 £'000
<b>ASSETS</b>			
<b>Investments</b>		35,156	43,888
<b>Reinsurers' share of technical provisions</b>		-	6,176
<b>Debtors</b>			
Debtors arising out of direct insurance operations		-	7
Debtors arising out of reinsurance operations		758	742
Other debtors	7	22	17
		<u>780</u>	<u>766</u>
<b>Other assets</b>			
Cash at bank and in hand		3,028	2,635
Other assets		-	218
		<u>3,028</u>	<u>2,853</u>
<b>Total assets</b>		<u>38,964</u>	<u>53,683</u>
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
Called up share capital	8	18,250	18,250
Profit and loss account		(327,240)	(347,283)
		<u>(308,990)</u>	<u>(329,033)</u>
<b>Shareholder's funds</b>			
<b>Technical provisions</b>			
Claims outstanding		-	55,289
<b>Creditors</b>			
Creditors arising out of direct insurance operations		215	110
Creditors arising out of reinsurance operations		899	299
Reinsurance to close premium		37,043	-
Other creditors	10	309,797	327,018
		<u>347,954</u>	<u>327,427</u>
<b>Total liabilities</b>		<u>38,964</u>	<u>53,683</u>

The Accounting Policies and Notes on pages 12 to 17 form part of these Accounts

Signed on behalf of the board

  
BG Devereux  
27 September 2010

## **1. Accounting policies**

### ***Basis of preparation***

The accounts of the company for the current year have been prepared in accordance with the provisions of Section 396(3) of the Companies Act 2006, Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, which cover the disclosures applicable to insurance companies. As a result the accounts include the company's share of all income, expenses, assets and liabilities of the underlying syndicates on which it participates.

The accounts have been prepared in accordance with applicable accounting standards and the recommendations of the Statement of Recommended Practice issued by the Association of British Insurers in December 2005, amended in December 2006.

These accounts have not been prepared on a going concern basis for the reasons stated in note 2. Therefore the assets of the company have been recorded at their expected realisable value and liabilities at the amount they are expected to settle at. The Company made a provision for run-off costs amounting to £1,000,000 at 30 June 2003. In the year ended 31 December 2009 £55,000 (2008 - £62,000) of costs were charged against the provision leaving a balance of £245,000 carried forward at 31 December 2009. Further, Lloyd's of London has agreed to meet certain costs of the Company while in provisional liquidation.

It is uncertain whether the provision for run-off costs will be sufficient to meet all future costs of the Company.

Estimates of profits arising from the Company's participation on the Syndicates have been based on the latest available information. All the Company's remaining open years of account were closed at 31 December 2009. The Company has no remaining open Lloyd's syndicate participations.

The information contained in the technical account has been extracted from the audited Syndicate accounts to 31 December 2009 and 2008. No segmental information or analysis of investments has been given in the accounts. Accordingly the accounts do not fully comply with Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

In addition, the amounts due from group entities (Note 7) and the inter-company loan (Note 10) have not been agreed with the other companies to whom the amounts are due from or to, as these companies are in liquidation.

### ***Basis of Accounting***

The underwriting results are determined on an annual accounting basis. Under this basis of accounting, a result is determined at the end of each accounting period reflecting the profit or loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance coverage during earlier accounting periods.

### ***Closed Years of Account***

At the end of the third year, the underwriting account is normally closed by reinsurance into the following year of account. The amount of the reinsurance to close premium payable is determined by the managing agent, generally by estimating the cost of claims notified but not settled at 31 December, together with the estimated costs of claims incurred but not reported at that date, and an estimate of future claims handling costs. Any subsequent variation in the ultimate liabilities of the closed year of account is borne by the underwriting year into which it is reinsured.

The payment of a reinsurance to close premium does not eliminate the liability of the closed year for outstanding claims. If the reinsuring syndicate was unable to meet its obligations, and the other elements of Lloyd's chain of security were to fail, then the closed underwriting account would have to settle any outstanding claims in respect of that year.

## **1. Accounting policies (continued)**

The directors consider that the likelihood of such a failure of the reinsurance to close is remote and consequently the reinsurance to close has been deemed to settle liabilities outstanding at the closure of an underwriting account. The company has included its share of the reinsurance to close premiums payable as creditors at the end of the current year, and no further provision is made for any potential variation in the ultimate liability of that year of account.

### ***Run-Off Years of Account***

Where an underwriting year of account is not closed at the end of the third year (a 'run-off' year of account) a provision is made for the estimated cost of all known and unknown liabilities of that year. The provision is determined initially by the managing agent on a similar basis to the reinsurance to close. However, any subsequent variation in the ultimate liabilities of that year remains with the corporate member participating therein.

### ***Premiums written***

Gross premiums written comprise the premiums on risks entered into during the accounting period regardless of whether they relate to the actual period. It also includes adjustments to premiums written in prior accounting periods and will include estimates of premiums due. Written premiums are stated gross of commission payable to intermediaries and exclude taxes, duties levied and other deductions.

### ***Unearned premiums***

Written premiums are recognised as earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written that relate to unexpired terms of policies in force at the balance sheet date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

### ***Claims***

Claims outstanding represents the ultimate cost of settling all claims (including direct and indirect claims settlement costs) arising from events which have occurred up to the balance sheet date including a provision for claims incurred but not yet reported less any amounts paid in respect of these liabilities. Claims outstanding are reduced by anticipated salvage and other recoveries.

The movement in claims provision charged to the profit and loss account is a composite figure comprising actual movement in claims provision, movement in reinsurance to close and run-off reserves, and expenses accrued charged to the years of account in run off.

The provision is based on the returns and reports from the Managing Agent. Where appropriate, statistical methods have been applied to past experience of claims frequency and severity.

The ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the sums provided.

### ***Run-off cost provision***

Provision is made for all future operating costs of the Company to the extent they are not covered by future investment income.

### ***Investments***

#### ***Investment valuations***

Investments are stated at current value at the balance sheet date, using bid prices (if bid prices are not available, offer prices are used). For this purpose, listed investments are stated at market value and deposits with credit institutions and overseas deposits are stated at cost.

## **1. Accounting policies (continued)**

### ***Investment income, expenses and charges***

Investment return comprises all investment income, realised investment gains and losses and movements of unrealised gains and losses, net of investment expenses, charges and interest

Realised gains and losses on investments carried at market value are calculated as the difference between sale proceeds and purchase price

Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their valuation at the previous balance sheet date, or purchase price, if acquired during the year, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account, as all investments relate there

### ***Tax***

Current tax is the tax currently payable based on the taxable profit for the year

Deferred tax is provided in full, using the liability method, on temporary differences between the accounting profit and the taxable profit. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

### ***Foreign currencies***

Syndicates maintain separate funds in Sterling, United States dollars, Canadian dollars and Euros

Income and expenditure in US dollars, Canadian dollars and Euros is translated at the average rate of exchange for the year. Underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed

Assets and liabilities are translated into sterling at the rates of exchange at the Balance Sheet date. Differences arising on translation of foreign currency amounts in syndicates are included in the technical account

### ***Related party transactions***

The company had no related party transactions in the period

## **2. Provisional liquidation**

As a result of the underwriting losses expected to be incurred by the company, the directors of the company were of the opinion that the company was unable to meet its liabilities as they fell due. On 28 September 2001 an order was made by the courts to place the company in provisional liquidation. Messrs T A Riddell and J M Wardrop were appointed provisional liquidators

## **3. Other Income/Charges**

	2009 £'000	2008 £'000
Other income / charges includes		
Foreign exchange movements and funding of syndicate losses	13,996	(35,257)
Write back of intercompany loan	3,501	-

#### **4. Emoluments**

The company has no employees

No emoluments were paid to, or waived by the directors

Fees payable to the syndicate auditor are borne by the syndicate and charged against the relevant year of account

#### **5. Profit on ordinary activities before taxation**

The auditors' remuneration of £10,000 (2008 - £10,000) has been charged against the provision for run-off costs

#### **6. Taxation**

The taxation charge of £3,000 (2008 £109,000) represents US Federal Income Tax paid on syndicate profits

Due to the significant losses incurred by the Company there are losses of approximately £310 million available for carry forward against future trading profits

No deferred tax asset arising in respect of any unrelieved trading losses has been provided, as it is unlikely that the Company will be able to use these losses against future profitable activities

#### **7. Debtors**

	2009 £'000	2008 £'000
Amounts due from group entities	-	-
Other	22	17
	<u>22</u>	<u>17</u>

Amounts due from group entities amounting to £17,504,000 (2008 - £17,504,000) have been fully provided for as the companies are in insolvency proceedings

#### **8. Called-up share capital**

	2009 £	2008 £	2009 £	2008 £
	Authorised		Allotted, called-up and fully paid	
Ordinary 'A' voting shares of £1 each	100	100	100	100
Ordinary 'B' Non voting shares of £1 each	<u>18,250,000</u>	<u>18,250,000</u>	<u>18,250,000</u>	<u>18,250,000</u>
	<u>18,250,100</u>	<u>18,250,100</u>	<u>18,250,100</u>	<u>18,250,100</u>

Only 'B' non-voting shares have rights to dividends. On a division of assets on winding-up, the amount available for distribution amongst the shareholders would be applied first in repayment of nominal value to the holders of the 'A' voting shares. The balance of the assets would be divided among the holders of the 'B' non-voting shares. All shares are non-redeemable.

**9. Reconciliation of movements in shareholders' funds**

	31 December 2009 £'000	31 December 2008 £'000
Profit / (Loss) for the period	20,043	(30,545)
Opening shareholders' funds	<u>(329,033)</u>	<u>(298,487)</u>
Closing shareholders' funds	<u>(308,990)</u>	<u>(329,033)</u>

**10. Creditors**

	31 December 2009 £'000	31 December 2008 £'000
Inter-company loan	117,546	121,001
Accruals	468	184
Run-off costs provision (Note 11)	245	300
Lloyd's New Central Fund	191,268	205,263
Other creditors	<u>270</u>	<u>270</u>
	<u>309,797</u>	<u>327,018</u>

Cotesworth Capital Limited provided security to Lloyd's, under the terms of the Lloyd's Deposit and Security Trust Deeds, in order to support the business underwritten by the underlying syndicates

Cash calls to date on syndicate open and run-off accounts have, in part, been funded by means of drawdowns on Letters of Credit deposited at Lloyd's and loans from the Lloyd's New Central Fund

The amounts originally deposited by Cotesworth Capital Limited as security to Lloyd's under the terms of the Lloyd's Deposit and Security Trust Deeds were funded by HIF group companies and are included within inter-company loans. The analysis of draw downs thereon is as follows

	Original Deposit at Lloyd's £'000	Draw-downs to date £'000
Letter of Credit - issued by HSBC	25,842	25,842
Letter of Credit - issued by Societe Generale	30,000	30,000
Letter of Credit - issued by Westpac Banking Corporation	<u>54,158</u>	<u>54,158</u>
	<u>110,000</u>	<u>110,000</u>

**11. Run-off costs provision**

	2009 £'000
Provision brought forward at 1 January 2009	300
Charges to the provision	<u>(55)</u>
Provision carried forward at 31 December 2009	<u>245</u>



## 12. Cash Flow Statement

The Company has no control over the disposition of assets and liabilities at Lloyd's

The only cash transactions in the year arise from the Company's operating activities and represent the recovery of amounts totalling £44,467 (2008 £44,731), including a small amount of interest, and accounts preparation, audit and legal fees, funding of £43,741 (2008 £16,210) from Lloyd's of London and the payment of expenses totalling £10,034 (2008 £49,243), leaving a cash balance of £41,904 (2008 £7,471) held by the Company. No cash flow statement has been presented.

## 13. Parent Company

The immediate parent undertaking is Cotesworth Holdings Limited, incorporated in Great Britain and registered in England and Wales. Cotesworth Holdings Limited was placed into liquidation on 26 September 2001 and dissolved on 1 May 2008. Accordingly no accounts have been prepared for the year ended 30 June 2001 or subsequent years.

The company's intermediate parent undertaking is HIH European Holding Company Limited, incorporated in Great Britain and registered in England and Wales. This company was placed into liquidation on 29 October 2001. Accordingly no accounts have been prepared for the year ended 30 June 2001 or subsequent years.

The ultimate parent undertaking is HIH Insurance Limited, which was placed into liquidation in Australia on 27 August 2001. Accordingly no group consolidated accounts are available for the year ended 30 June 2001 or subsequent years.

## 14. Assets and liabilities held by the Syndicates

The Balance Sheet includes the following assets and liabilities held by the Syndicates on which the Company participated as a Lloyd's corporate member. The assets are subject to trust deeds for the benefit of the Syndicates' insurance creditors.

	2009	2008
	Total	Total
	£'000	£'000
<b>Assets</b>		
Investments	35,156	43,888
Reinsurers share of technical provisions	-	6,176
Debtors arising from reinsurance operations	-	7
Debtors arising from direct insurance operations	758	742
Other debtors	22	17
Cash at bank	2,986	2,627
Other assets	-	218
	<b>38,922</b>	<b>53,675</b>
<b>Liabilities</b>		
Technical provisions	-	55,289
Reinsurance to close premium	37,043	-
Creditors arising out of direct insurance operations	215	110
Creditors arising from reinsurance operations	899	299
Other creditors	270	270
Accruals and deferred income	359	119
	<b>38,786</b>	<b>56,087</b>