COTESWORTH CAPITAL LIMITED
(In Provisional Liquidation)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2007

Registered No: 3265777

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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
Auditor	Littlejohn Chartered Accountants 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 2007 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 in its underlying Lloyd's syndicates

Results and Dividends

The profit for the period before and after taxation was £9,754,000 (2006 –£4,428,000)

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 underwriting capacity and allocation thereof is as shown below

Syndicate Number	1997 Year of Account £'000	1998 Year of Account £'000	1999 Year of Account £'000	2000 Year of Account £'000	2001 Year of Account £'000
228	1,000	5,000	19,522	31,917	-
535	11,500	24,500	26,716	53,330	73,058
536	1,000	3,500	24,690	-	-
1069	1,000	16,000	24,365	32,504	-
1688	-	-	65,000	75,000	82,500
Total	14,500	49,000	160,293	192,751	155,558

The results for the period are shown on pages 10 to 11

As at 31 December 2007, all the remaining open years of Syndicates 535, 536 and 228 were closed via underwriting reinsurance to close The Managing Agent continues to make efforts to close the run-off years of syndicate 1688, but to date it has not been possible to obtain any acceptable quotes However, the Managing Agent will continue its discussions and all possible avenues to obtain closure are explored

Risks and Uncertainties

Risk Management

As a corporate member of Lloyd's, the majority of the risks to this company's future cash flows arise from its participation in the results of Lloyd's syndicates As detailed below, these risks are mostly managed by the Managing Agent of the syndicate This company's role in managing this risk is limited to selection of syndicate participations and monitoring performance of the syndicates

As the company is in provisional liquidation, it no longer selects new syndicate participations The syndicates, on which the company participates, are managed by Capita Syndicate Management Limited (CSML) The principal barrier to closure remains the currently limited market for underwriting reinsurance to close (RITC) The Board of CSML annually updates its views on risks as part of the syndicates' business planning and assessment of capital required to support those syndicates

After 2007 year end, Lloyd's agreed to the RITC proposal for Syndicate 536 and 228 to be RITC to Syndicate 5500, and for Syndicate 535 to be RITC to Centrewrite Limited Syndicate 1688 is the only remaining syndicate with open underwriting years from 1 January 2008

Syndicate Risks

The syndicates' activities expose it to a variety of financial and non-financial risks The Managing Agent is responsible for managing the syndicates' exposure to these risks and, where possible, introducing controls and procedures that mitigate the effects of the exposure to risk

Each year, the Managing Agent prepares an Individual Capital Assessment (ICA) for the syndicates, the purpose of this being to agree capital requirements with Lloyd's based on an agreed assessment of the risks impacting the syndicates' business, and the measures in place to manage and mitigate those risks from a quantitative and qualitative perspective The risks described below are typically reflected in the ICA The majority of the total assessed value of the risks concerned is usually attributable to insurance risks

Insurance Risk can be defined as the risk of loss arising from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities Insurance risk includes a variety of risks arising from underwriting, the development of prior years' underwriting, together with the risks inherent in gross versus net underwriting The principal insurance risk faced by the syndicates is the risk of inadequate reserving of its insurance liabilities and also the future costs of running off the syndicate

Reinsurance risks arise from the risk that a reinsurer fails to meet their share of a claim The management of the syndicates' funds is exposed to risks of investment, liquidity, currency and interest rates leading to financial loss The syndicate is also exposed to regulatory and operational risks including its ability to continue to trade However, supervision by Lloyd's and the Financial Services Authority provide additional controls over the syndicates' management of risks

Estimates of losses arising from the Company's participation on the Syndicates have been based on the latest available information Some years of account are still in run-off and under Lloyd's Syndicate accounting rules must be closed into another Lloyd's Syndicate or Lloyd's own vehicle Centrewrite Any such successor reinsurers' assessment may well materially differ from the current estimates included in these accounts The eventual outcome of the years of account therefore remains uncertain, the effect of any over or under estimate will be included in future accounts

Investment and Currency Risks

The syndicates are exposed to market risk arising from fluctuations in primarily interest and foreign exchange rate movements The other significant risks faced by the company are with regard to the investment of the available funds within its own custody The elements of these risks are investment risk, liquidity risk, currency risk and interest rate risk The majority of the company's funds are held in GBP so susceptibility to adverse currency movements is minimal Lloyd's of London has agreed to meet certain costs (including any remaining syndicate liabilities) of the Company while in provisional liquidation

Following the closure of the remaining open years of syndicates 535, 536 and 228, the company is no longer exposed to any syndicate, investment and currency risks from those syndicates, unless Lloyd's chain of security were to fail The Company is still exposed to these risks in respect of its remaining participation on the open years of accounts of Syndicate 1688

Regulatory Risks

The company is subject to continuing approval by Lloyd's to be a member of a Lloyd's syndicate The risk of this approval being removed is mitigated by monitoring and fully complying with all requirements in relation to membership of Lloyd's

Operational Risks

As there are relatively few transactions 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 (formerly CLB Littlejohn Frazer) Chartered Accountants are the Company's auditors

Signed on behalf of the board

Director
31 October 2008

Company law requires the Directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for the period In preparing those accounts, 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 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 maintaining 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 accounts 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 The Directors are responsible for ensuring the Report of the Directors is prepared in accordance with company law in the United Kingdom

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 proper accounting records which 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 1985 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 Auditors' 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 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14 These Accounts have been prepared under the accounting policies set out therein

This report is made solely to the Company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985 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

The Directors' responsibilities for preparing the Accounts 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 Accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the Accounts 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 information given in the Report of the Directors is consistent with the Accounts

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

Basis of 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 Accounts It also includes an assessment of the significant estimates and judgments made in the preparation of the Accounts, 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 Accounts 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 Accounts

Independent Auditors' report to the shareholders of Cotesworth Capital Limited (In Provisional Liquidation) (continued)

Opinion· disclaimer on view given by the Accounts

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

- As described in notes 1 and 2, the Company has been placed in provisional liquidation, and although a provision has been made to meet future costs and underwriting losses it is uncertain whether it will be sufficient to meet all such costs and losses In addition, certain underwriting years supported by the Company are in run-off Any successor reinsurers assessment of the premium required to close the year of account may be materially different from the current estimate included in these Accounts

- Contrary to the provisions of Schedule 9A of the Companies Act 1985, 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 affect on either the result for the year shown in the profit and loss account, nor the net liabilities as shown in the balance sheet

- We have not been able to verify inter-company balances as the group members have gone into liquidation and no final accounts have been prepared for these companies for the year ended 30 June 2001 and subsequently

- We have not been able to conclude on the accuracy of the balances brought forward from the 2006 accounts due to the uncertainties affecting the 2006 accounts

- In view of the provisional liquidation of the Company, the Directors are unable to confirm that the Accounts have been prepared in accordance with the requirements set out on page 7, nor can the Directors confirm that there is no relevant audit information of which we as auditors are unaware

- In view of the fundamental nature of the uncertainties and omissions described above we are unable to determine whether proper accounting records have been maintained

Because of the potential significance to the Accounts of the combined effect of the matters referred to in the paragraph above, we are unable to form an opinion as to whether the Accounts

- 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 profit for the year then ended, and

- have been properly prepared in accordance with the Companies Act 1985

Notwithstanding our disclaimer on the view given by the Accounts, in our opinion the information given in the Report of the Directors is consistent with the Accounts

Littlejohn

Chartered Accountants
and Registered Auditors
31 October 2008

1 Westferry Circus
Canary Wharf
London E14 4HD

PROFIT AND LOSS ACCOUNT

	Note	Year ended 31 December 2007 £'000	Year ended 31 December 2006 £'000
Technical Account – General Business			
Gross premiums written		435	(540)
Outward reinsurance premiums		(508)	(1,827)
		(73)	(2,367)
Change in provision for unearned premium			
- gross amount		2	43
- reinsurers' share		(39)	(277)
Earned premiums, net of reinsurance		(110)	(2,601)
Allocated investment return transferred from the non - technical account		6,299	4,605
Claims paid			
- gross amount		(25,193)	(27,891)
- reinsurers' share		4,286	3,903
		(20,907)	(23,988)
Change in the provision for claims			
- gross amount		50,425	38,172
- reinsurers' share		(25,881)	(10,099)
		24,544	28,073
Claims incurred, net of reinsurance		3,637	4,085
Net operating expenses			
Administrative expenses		(82)	(1,702)
Balance on the technical account		9,744	4,387

All the syndicates, on which the company participates, have ceased to write new business and are currently running off their activities

The Accounting Policies and Notes on pages 13 to 18 form an integral part of these Accounts

	Note	Year ended 31 December 2007 £'000	Year ended 31 December 2006 £'000
Non – Technical Account			
Balance Transferred from General Business Technical Account		9,744	4,387
Investment income		4,990	4,965
Net unrealised gains/(losses) on investments		1,398	(271)
Investment expenses and charges		(89)	(89)
Allocated investment return transferred to the general business technical account		(6,299)	(4,605)
Other income	3	10	41
Profit on Ordinary Activities before Taxation	5	9,754	4,428
Tax on Profit on Ordinary Activities	6	-	-
Profit for the Period		9,754	4,428

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 13 to 18 form an integral part of these Accounts

BALANCE SHEET
At 31 December 2007

	Note	2007 £'000	2006 £'000
ASSETS			
Investments		96,457	102,884
Reinsurers' share of technical provisions		5,831	55,660
Debtors			
Debtors arising out of direct insurance operations		221	930
Debtors arising out of reinsurance operations		5,510	12,470
Other debtors	7	9,108	5,138
		14,839	18,538
Other assets			
Cash at bank and in hand		6,371	8,081
Other assets		-	-
		6,371	8,081
Total assets		123,498	185,163
LIABILITIES			
Capital and reserves			
Called up share capital	8	18,250	18,250
Profit and loss account		(316,737)	(326,491)
Shareholder's funds		(298,487)	(308,241)
Technical provisions			
Claims outstanding		57,316	170,474
Creditors			
Creditors arising out of direct insurance operations		442	411
Creditors arising out of reinsurance operations		127	819
Reinsurance to close premium		38,005	-
Other creditors	10	326,095	321,700
		364,669	322,930
Total liabilities		123,498	185,163

The Accounting Policies and Notes on pages 13 to 18 form part of these Accounts

Signed on behalf of the board

B Deveredsc
Director
31 October 2008

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 255 of, and Schedule 9A to, the Companies Act 1985, 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 2007 £132,000 (2006 - £66,000) of costs were charged against the provision leaving a balance of £362,000 carried forward at 31 December 2007 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 Some years of account are still in run-off and under Lloyd's Syndicate accounting rules must be closed into another Lloyd's Syndicate Any such successor reinsurers' assessment may well materially differ from the current estimates included in these accounts The eventual outcome of the years of account therefore remains uncertain, the effect of any over or under estimate will be included in future accounts

Post the year end, Reinsurance to close offers were accepted in respect of the remaining open years of Syndicates 535, 536 and 228 and are reflected in these accounts There still, however, exists material uncertainty over the level of reserves required in respect of the company's remaining participation on the 1999, 2000 and 2001 year of accounts of Syndicate 1688

The information contained in the technical account has been extracted from Syndicate returns to 31 December 2007 and 2006 No segmental information or analysis of investments has been given in the accounts Accordingly the accounts do not fully comply with Schedule 9A of the Companies Act 1985

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 the cost of running off the syndicates until the anticipated date of closure

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 meets 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

	2007 £'000	2006 £'000
Other income	10	41

4. Other Charges

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

This is stated after charging

	2007 £'000	2006 £'000
Auditors' remuneration - audit of the accounts	10	9

This has been charged against the provision for run-off costs

6. Taxation

Due to the availability of tax losses brought forward no taxation charge arises on the profit for the period

Due to the significant losses incurred by the Company there are losses of approximately £300 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

	2007 £'000	2006 £'000
Amounts due from group entities	-	-
Other	9,108	5,138
	9,108	5,138

Amounts due from group entities amounting to £17,504,000 (2006 - £17,504,000) have been fully provided for as the companies are in insolvency proceedings

8. Called-up share capital

	2007 £	2006 £	2007 £	2006 £
	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	18,250,000	18,250,000	18,250,000	18,250,000
	18,250,100	18,250,100	18,250,100	18,250,100

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 2007 £'000	31 December 2006 £'000
Profit for the period	9,754	4,428
Opening shareholders' funds	(308,241)	(312,669)
Closing shareholders' funds	(298,487)	(308,241)

10. Creditors

	31 December 2007 £'000	31 December 2006 £'000
Inter-company loan	11,001	11,001
Accruals	48	25
Run-off costs provision (Note 11)	362	494
Other creditors	314,684	310,180
	326,095	321,700

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 drawdown on Letters of Credit deposited at Lloyd's and from the Lloyd's New Central Fund The Lloyd's New Central Fund has given an undertaking to fund up to £249 5 million of any unpaid cash calls made prior to 1 April 2008 It is anticipated that the Lloyd's New Central Fund will give further undertakings in respect of any cash calls made after 1 April 2009

The amounts included in other creditors are as follows

	31 December 2007 £'000	31 December 2006 £'000
Letter of Credit draw downs	110,000	110,000
Lloyd's New Central Fund	195,902	195,894
Uncalled losses	8,506	4,119
Other creditors	276	167
	314,684	310,180

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 and 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	54,158	54,158
	110,000	110,000

11. Run-off costs provision

	2007 £'000
Provision brought forward at 1 January 2007	494
Charges to the provision	(132)
Provision carried forward at 31 December 2007	362

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 all arise from the Company's operating activities and represent the recovery of amounts totalling £220,817 (2006 £40,990), including a small amount of interest and accounts preparation, audit and legal fees funding of £9,962 (2006 £26,741) by Lloyd's of London and the payment of expenses totalling £317,187 (2006 £77,985), leaving a cash balance of £11,982 (2006 £108,351) 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 participates as a Lloyd's corporate member The assets are subject to trust deeds for the benefit of the Syndicates' insurance creditors

	2007 Total £'000	2006 Total £'000
Assets		
Investments	96,457	102,884
Reinsurers share of technical provisions	5,831	55,660
Debtors arising from reinsurance operations	221	930
Debtors arising from direct insurance operations	5,510	12,470
Other debtors	345	568
Cash at bank	6,359	7,973
	114,723	180,485
Liabilities		
Technical provisions	57,316	170,474
Reinsurance to close premium	38,005	-
Creditors arising out of direct insurance operations	442	411
Creditors arising from reinsurance operations	127	819
Other creditors	583	275
	96,473	171,979