



**HIH EUROPEAN HOLDING
COMPANY LIMITED (in
liquidation)**

Annual Report to Creditors
and Members

14 December 2007

KPMG LLP
Corporate Recovery
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Tel +44 (0) 20 7311 8353
Fax +44 (0) 20 7694 3126
DX 38050 Blackfriars

To all known creditors and members of HIIH
European Holding Company Limited (in
liquidation)

Our ref tar/ek/985

14 December 2007

Dear Sir/Madam

HIIH European Holding Company Limited (in liquidation) (“HIIH EHC”)

1 Introduction

This is the sixth annual report to the creditors and members of HIIH EHC. HIIH EHC was placed into creditors’ voluntary liquidation on 24 October 2001. The liquidators of HIIH EHC are Tom Riddell and John Wardrop.

The company is one of a number of companies in the HIIH Group of Companies (“HIIH Group”) which have been subject to insolvency proceedings in the UK and over which Messrs Riddell and Wardrop are appointed.

2 Brief details of the company

HIIH EHC was incorporated in the UK on 26 November 1992. It acted as a holding company and did not trade. HIIH EHC has a number of subsidiary undertakings.

The directors of the company who held office at the time of its failure or in the previous two years were as follows:

Directors: NW Britten
 G Davies
 D Fodera
 MW Payne
 PB Thompson
 RR Williams
 HG Simons

Company secretary: W Scott



Shareholding: 99.8% of the shares in the company were owned by HIH Overseas Holdings Ltd. In addition the company had a number of private individual shareholders, a number of whom were also directors. The ultimate beneficial owner, HIH Insurance Ltd, which was publicly listed in Australia, is now in liquidation.

3 Details of the relationships with HIH and background to the failure

The principal UK operations of the HIH Group comprised HIH Casualty & General Insurance Limited ("HIH C&G"), writing business in the UK through a branch operation, and the Cotesworth Group of Companies, writing business in the UK through membership of Lloyd's syndicates.

HIH EHC was used as a non trading holding company which owned service companies to support the branch business of HIH C&G, and held the shareholdings of those HIH companies which were incorporated in the UK, of which the Cotesworth Group was by far the most significant.

The HIH Group acquired the Cotesworth Group in October 1998 to benefit from the global underwriting licences available to Lloyd's syndicates. The acquisition consisted principally of a Lloyd's corporate capital vehicle (Cotesworth Capital Ltd ("CCL")) and an associated managing agent (Cotesworth & Co Limited) which wrote business through five Lloyd's syndicates. CCL held interests in one newly formed syndicate (1688) and majority interests in four others (535, 536, 228 & 1069). Prior to the acquisition, CCL was owned by approximately 14 individuals.

In order to participate in a syndicate's underwriting, a corporate name must maintain Funds at Lloyd's (FAL) as security. The FAL required to be maintained by CCL at Lloyd's varied but at December 2000 the FAL requirement stood at £110 million. This FAL security took the form of letters of credit collateralised by assets from HIH Group companies in Australia.

With the insolvency of HIH Group companies in March 2001, the Cotesworth FAL security of £110m with Lloyd's remained in place. However, it was then clear that no further HIH support would be available, and that the Cotesworth Group would need to secure alternative sources of backing if it wanted to expand its business, or if it incurred losses. The Cotesworth syndicates had in fact already incurred significant losses, and accordingly CCL needed further funding for its 2002 underwriting at Lloyd's if the syndicates were to continue underwriting. Cotesworth & Co engaged Noble & Co to seek a buyer and worked closely with the joint provisional liquidators of HIH C&G and Lloyd's to determine whether a sale of the group could be achieved.

During the following six months the Cotesworth syndicate losses continued to escalate, and no buyer was found. Further major losses included exposures to insolvent debtors and the



Petrobras platform loss. Accordingly, the Cotesworth syndicates suspended underwriting on 17 August 2001 and ceased underwriting on 3 September 2001.

On 26 September 2001, the Deputy Chairman of Lloyd's exercised Lloyd's power to replace Cotesworth & Co as the managing agent of the Cotesworth syndicates. Lloyd's By-laws do not allow an insolvent company to act as a managing agency. Capita Syndicate Management Limited ("Capita") was appointed as the substitute managing agent for the syndicates. Companies in the Cotesworth Group had no future prospects and directors of each of the companies resolved to place them into insolvency proceedings. Directors of Cotesworth & Co Ltd and CCL then applied to the Court for the appointment of provisional liquidators on 28 September 2001.

HIH EHC was then placed into creditors voluntary liquidation on 24 October 2001.

4 Assets and Liabilities

Asset	Note	Statement of Affairs £	Updated Trial Balance as at 23 October 2007 £
Intercompany debtors	4.1	46,608,565	40,662,648
Shares and Investments	4.2	21,704,494	-
Corporation tax		152,115	-
Sundry debtors	4.3	22,013	-
Loan C1 shareholders	4.4	2,156,272	2,156,272
Cash	--	2,000	230,013
Dividends receivable		277,804	-

4.1 Inter-company debtors

The largest inter-company debtor is £40,662,000 owing by HIH US Inc. The liquidators do not consider this balance to be recoverable.



4.2 Shares and Investments

HIH EHC as the holding company for the group in the UK had shares in a number of subsidiaries as follows:

Company	Investment £	Status
HIH (UK) Limited	250,000	This company was insolvent and in compulsory liquidation. It held its final meeting during November 2007.
HIH Indemnity International Limited	4,900,000	This company was sold to Churchill in June 2002 for £1.15m.
Cotesworth Group Limited	16,551,000	Cotesworth Group Limited is insolvent and no recovery will be made. The creditors' final meeting has been scheduled for 10 December 2007.
HIH Systems International Limited	2	This company is in members' voluntary liquidation (see below).
Genesis Underwriting Agency Limited	3,000	No cash realisation expected.

4.2.1 HIH Systems International Limited ("HSI")

HSI is the petitioning creditor in the English provisional liquidation of HIH C&G. As such, its liquidation will remain in place until either the provisional liquidation is discharged or HIH C&G is placed into liquidation.

Any liquidation of HIH C&G is likely to take place after completion of its English Scheme of Arrangement, being 2011 at the earliest.

4.3 Sundry debtors

This balance is not considered recoverable due to inadequate records to substantiate the debt.

4.4 Loan C1 Shareholders

The liquidators have received Counsel's opinion that these loans are not likely to be recoverable by HIH EHC.

5 Liabilities

5.1 Preferential Creditors

No preferential creditors have been identified.



5.2 Non-preferential creditors

Liability	Note	Statement of Affairs	Updated Trial Balance as at 23 October 2007 £
Inter-company creditors	5.3	57,981,742	60,438,031
Sundry creditors	--	98,550	56,307

5.3 Inter-company creditors

The principal inter-company creditor of HIH EHC is an amount of £48,407,976 claimed by HIH Insurance Holdings (NZ) Limited. This debt arose as a result of a round robin of transactions, all completed in Sydney, with related companies. The transactions resulted in HIH EHC assuming these very significant liabilities, mostly matched by corresponding but worthless intercompany loan assets. The liquidators regard the transactions as clearly not having been in the interests of the Company. The transactions have been reported to The Insolvency Practitioners Control Unit but no further action will be taken by the liquidators.

6 Dividend prospects

The Liquidators expect any final dividend to be minimal.

7 Investigations

The liquidators instigated extensive investigations into the circumstances surrounding the acquisition of the Cotesworth Group by HIH EHC, the causes of the Cotesworth Group's failure, and the reporting of profit and reinsurance arrangements of the Cotesworth syndicates prior to the acquisition.

Actions were commenced by the liquidators in the name of Cotesworth Capital and HIH EHC against various defendants for damages suffered as a result of the acquisition. These actions were discontinued during 2005 following further consultation with the various beneficiaries who would need to fund the legal costs if the actions were to be continued. The preliminary legal investigations and preparation for trial prior to the actions being discontinued are the primary reason for the expenditure of £869,005 on legal fees shown in the attached statement of liquidators' receipts and payments.

Subsequent to the discontinuation of the liquidators' actions, a group of Names at Lloyd's, members of the Cotesworth syndicates but otherwise unrelated to the HIH group, have been



investigating action to recover compensation from the Lloyd's Members' Compensation Scheme. In order to be eligible for compensation the Names would first be required to take action against one of the Cotesworth companies or its directors. The liquidators will accordingly not complete the liquidations of HIH EHC and those Cotesworth companies potentially involved until the threat of action by the Names is resolved.

8 Other Issues

8.1 Taxation

8.1.1 Corporation Tax

All tax returns have been submitted up to 23 October 2006. To date no enquiries have been raised by the Inland Revenue.

8.1.2 VAT

The HIH VAT group has 7 members of which HIH C&G is the representative member. As such, HIH EHC will continue to be jointly and severally liable for any unpaid VAT debts that arise from other group members' activities. No liability is expected for HIH EHC.

9 Receipts and Payments

A summary of the liquidators' receipts and payments from the commencement of the liquidation to 23 October 2007 is set out below.

HIH European Holding Company Limited (in liquidation)		£
Receipts and Payments for the period 24 October 2001 to 23 October 2007		
<u>Receipts</u>		
Proceeds from company bank accounts at 24 October 2001		1,630
Sale of shares in subsidiaries		1,150,110
Investment income		142,809
Dividends receivable		90,000
Tax refunds		170,531
Total receipts		1,555,080
<u>Payments</u>		
Secretary of State fee		12,500
Liquidators fees		176,493
Liquidators expenses		2,096
Legal fees		869,005
Other professional and agents fees		37,828
VAT		143,930
Insurance Premium tax		43,320
Bank charges		357
Corporation tax		28,573
Actuarial fees		10,965
Total		1,325,067
Funds held at 23 October 2007		230,013

10 Liquidators' remuneration

The liquidators' remuneration in a creditors' voluntary liquidation is normally fixed by the liquidation committee (if one exists) or the creditors, if no committee exists. At the Section 98 meeting held on 24 October 2001 it was resolved that no liquidation committee be established. A circular prepared by The Association of Business Recovery Professionals (R3) explaining remuneration in insolvencies is attached for creditor information.

At the creditors' meeting held on 10 December 2002 a resolution was passed to fix the liquidators' remuneration by reference to the time properly given by the liquidators and their staff in attending to matters arising in the insolvency, at the same rates as are approved from time to time by the Court for the principal insolvencies in the HIH group in the UK.

During the year to 23 October 2007 £4,501.20 excluding VAT has been charged by the joint liquidators and their staff representing 20 hours of their time. A detailed breakdown is attached.



11 Conclusion of the liquidation

Subject to conclusion of all matters related to the Cotesworth Group, the liquidators expect to conclude the liquidation of HIH EHC within the next twelve months.

12 Annual meeting of creditors

The sixth annual meetings of creditors and members will be held in London on 10 January 2008 at 11.00am and 11:15am respectively at KPMG LLP, 1-2 Dorset Rise, London EC4Y 8EN. Creditors and members will have an opportunity to question the liquidators over the matters in this report. In order that we may anticipate numbers attending, please contact Elena Konstantinova on +44 (0) 20 7311 8353 or by email at elena.konstantinova@kpmg.co.uk if you intend to attend the meeting. Notice of each meeting is enclosed with this letter together with a proxy form.

Yours faithfully
For HIH EHC

T A Riddell
Joint Liquidator

Enclosures: A Creditors guide to liquidators' fees
Schedule of liquidators' fees and expenses
Notice of meeting
Proxy form
Proof of debt form

A creditors' guide to liquidators' fees - England and Wales

1 Introduction

- 1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

2 Liquidation procedure

- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2.3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and a member of The Insolvency Service, an executive agency within the Department of Trade and Industry. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by the Secretary of State for Trade and Industry. Where an insolvency practitioner is not appointed the official receiver remains liquidator. Official receivers charge their fees on the basis of a statutory scale which is laid down by the Insolvency Regulations 1994.
- 2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator.

3 The liquidation committee

- 3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of three and a maximum of five members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3.2 The liquidator must call the first meeting of the committee within three months of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every six months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's fees

- 4.1 The basis for fixing the liquidator's remuneration is set out in rule 4.127 of the Insolvency Rules 1986. The rule states that the remuneration shall be fixed either:

- as a percentage of the value of the assets which are realised or distributed or both, or
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the insolvency.

It is for the liquidation committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is to be fixed as a percentage, to fix the percentage to be applied. Rule 4.127 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency;
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the assets which the liquidator has to deal with.

- 4.2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as the committee would. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator. If the remuneration is not fixed in any of these ways, it will be in accordance with the scale laid down for official receivers.

5 What information should be provided by the liquidator?

5.1 When seeking fee approval

- 5.1.1 When seeking agreement to his fees the liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fees is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case

- 5.1.2 Where, at any creditors' or committee meeting, the liquidator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principles, which are likely to be involved on the case.

- 5.1.3 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may be reasonable required having regard to the size and the complexity of the case. The additional information should comprise sufficient explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognizing that the liquidator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the liquidator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a barrier for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the liquidator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request of the liquidator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis maybe necessary in larger cases.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to the creditors on the progress of the liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the liquidator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the liquidator proposes to recover costs which, whilst being in the nature of expense or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and

allocation.

5.4 Realisations of secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 8.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and if any reports he sends to creditors.

5.5 Reporting in compulsory liquidations

It should be borne in mind that in compulsory liquidation there is no statutory requirement for the liquidator to report to creditors until the conclusion of the assignment. In most such cases, therefore, creditors will receive no information during the course of the liquidation unless they specifically requests it.

6 What if a creditor is dissatisfied?

- 6.1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with this request, which must be made to the liquidator in writing.
- 6.2 If a creditor believes that the liquidator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not out of the assets of the insolvent company.

7 What if the liquidator is dissatisfied?

- 7.1 If the liquidator considers that the remuneration fixed by the committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors or in accordance with the official receiver's scale is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

8 Other matters relating to fees

- 8.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with the scale laid down for the official receivers. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.
- 8.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting or a meeting of creditors.
- 8.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 8.4 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

Whilst every care has been taken in its preparation, this statement is intended for general guidance only.

HIH European Holding Company Limited (in Liquidation)

**Analysis of time spent by the Liquidators and their staff for the period
24 October 2006 to 23 October 2007**

Staff Member	Hours Charged	Charge-out rate (£'s per hr)	£	Total £
T Riddell	2.4	450.00	1,080.00	
S Treharne	0.1	450.00	45.00	
M Maccallum	0.1	353.00	35.30	
M Saeed	1.5	282.00	423.00	
S Vara	1.6	200.00	320.00	
	0.2	210.00	42.00	
M McEachrane	0.2	200.00	40.00	
E Konstantinova	8.3	200.00	1,660.00	
	0.8	210.00	168.00	
M Mann	3.0	200.00	600.00	
L Patterson		143.00	0.00	
C Pompilis	0.3	143.00	42.90	
J Hudson	1.5	30.00	45.00	
Total hours/fees	20.0			4,501.20
Disbursements				0.00
				<hr/> 4,501.20
VAT @ 17.5%				787.71
Costs Total				<hr/> 5,288.91 <hr/>

HHH European Holding Company Limited (in Liquidation)

**Analysis of time spent by the Joint Liquidators and their staff for the period
24 October 2006 to 23 October 2007**

	Staff Member	Number of Hours	Rate £	£	Total £
Creditors' claims					
To: Dealing with creditor correspondence and telephone enquiries on an on-going basis. Preparation of annual report to creditors.	T Riddell	0.6	450.00	270.00	
	M Saeed	0.1	282.00	28.20	
	S Vara	0.2	210.00	42.00	
	S Vara	0.5	200.00	100.00	
	E Konstantinova	5.0	200.00	1,000.00	
	M Mann	1.5	200.00	300.00	
					1,740.20
Receipts, payments and general accounting					
To: Day-to-day operation of cash books, banking and general accounting.	S Treharne	0.1	450.00	45.00	
	M Saeed	1.4	282.00	394.80	
	S Vara	1.1	200.00	220.00	
	E Konstantinova	0.2	200.00	40.00	
	M McEachrane	0.2	200.00	40.00	
					739.80
Preparation of accounting information					
To: Preparation of trial balances to assist with monitoring the financial position of the company and monitor asset realisations and claims position.	E Konstantinova	0.3	200.00	60.00	
					60.00
Tax Issues					
To: Liaising with tax specialists to review and consider the tax and VAT position of the Company.	E Konstantinova	0.5	210.00	105.00	
	E Konstantinova	0.9	200.00	180.00	
					285.00
Statutory Reporting					
To: Ensuring all legal and Companies House procedures are adhered to for the estate.	T Riddell	0.2	450.00	90.00	
	E Konstantinova	0.3	210.00	63.00	
	E Konstantinova	1.6	200.00	320.00	
	M Mann	1.5	200.00	300.00	
	J Hudson	1.5	30.00	45.00	
					818.00
Reporting to Court					
To: Preparation of affidavits and time analysis in support of applications to court for the approval of the Liquidators remuneration including daily reporting.	M Maccallum	0.1	353.00	35.30	
					35.30
Creditors' Committee					
To: Preparing reports and information for the Informal creditors' committee, attendance at meeting and subsequent work	T Riddell	1.6	450.00	720.00	
					720.00
General Administration and Management					
To: Dealing with day-to-day management, general administration and clerical support in carrying out the Liquidators' functions.	E Konstantinova	0.3	200.00	60.00	
	C Pompilis	0.3	143.00	42.90	
					102.90
Total hours / costs for the Liquidators		20.0			4,501.20
Disbursements					0.00
					4,501.20
VAT at 17.5%					787.71
Total Costs					5,288.91

HIH European Holding Company Limited (In Liquidation)

**Analysis of disbursements of the Liquidators and their staff for the period
24 October 2006 to 23 October 2007**

	£
Total	<u>0.00</u>

Summary of Liquidator's Remuneration incurred on HIH European Holdings Company Limited (In Liquidation) from 24 October 2001 to 23 October 2007

Activity	Partner Hours	Director Hours	Senior Manager Hours	Manager Hours	Assistant Manager Hours	Accountant Hours	Total Hours	Total Costs £	Average Rate £/hr
Receipts and Payments	0.1			1.4	1.5		3	739.80	246.6
Creditors Claims									
Dealing with creditor claims, adjudication of claims and correspondence	0.6			0.1	7.2		7.9	1,740.20	220.28
Creditors Meeting									
Organising and holding the creditors meeting	1.6						1.6	720.00	450
General Administration and Management									
General matters including filing, budgeting and dealing with correspondence and letters					0.3	0.3	0.6	102.90	171.5
Reporting to Court									
Adhering to obligations to reporting to court on legal matters			0.1				0.1	35.30	353
Specific Accounting Projects									
Preparation of trial balances and receipts and payments reports					0.3		0.3	60.00	200
Statutory Reporting									
Ensuring al legal and Companies House procedures are adhered to for the estate	0.2				3.4	1.5	5.1	818.00	160.39
Taxation									
Dealing with tax matters, both VAT and Corporations Tax					1.4		1.4	285.00	203.57
Total Hours	2.5	0	0.1	1.5	14.1	1.8	20	4,501.20	225.06

Notice to creditors of meeting of creditors

In the matter of HIH European Holding Company Ltd

and

in the matter of the Insolvency Act 1986

A meeting of creditors of the above-named company has been summoned by the Liquidator for the purpose of:

receiving an account of the acts and dealings of the joint liquidators and of the conduct of the winding up to date under Section 105 of the Insolvency Act 1986.

The meeting will be held as follows:

Date: 10 January 2008

Time: 11:00am

Place: KPMG, 1-2 Dorset Rise, London EC4Y 8BEN

A proxy form is enclosed which must be lodged with me not later than 5pm on 9 January 2008 to entitle you to vote by proxy at the meeting.

Thomas Alexander Riddell , Liquidator

Dated **December 2008**

KPMG Corporate Recovery
8 Salisbury Square
London EC4Y 8BB
United Kingdom
Fax +44 (0) 20 7311 3311

The Insolvency Act 1986

Proxy (creditors' voluntary winding up)

In the matter of **HIH European Holding Company Ltd**

and

in the matter of the Insolvency Act 1986

Notes to help completion of the form

Please give full name and address for communication

Name of creditor

Address

Please insert name of person (who must be 18 or over) or "chairman of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the names of the alternatives as well

Name of proxy-holder

1

2

3

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy-holder at the meeting of creditors to be held on 10 January 2008, or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Any resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided

This form must be signed

Signature _____ **Dated** _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

Proof of debt - general form

In the matter of **HIH European Holding Company Ltd**

and

In the matter of the **Insolvency Act 1986**

1	Name of creditor	
2	Address of creditor	
3	Total amount of claim, including any VAT and outstanding uncapitalised interest as at the date of the company went into liquidation (see note on page 2)	£
4	Details of any documents by reference to which the debt can be substantiated. (Note: the liquidator may call for any document or evidence to substantiate the claim at his discretion)	
5	If the total amount shown above includes outstanding uncapitalised interest please state amount	£
6	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under s. 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
7	Particulars of how and when debt incurred	
8	Particulars of any security held, the value of the security, and the date it was given	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

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Admitted to vote for:	£ _____
Date:	_____
Liquidator's signature:	_____
Admitted preferentially for:	£ _____
Date:	_____
Liquidator's signature:	_____
Admitted non-preferentially for:	£ _____
Date:	_____
Liquidator's signature:	_____

Note: A company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the court at a time when it has not already gone into liquidation by passing such a resolution.

Notice to members of meeting of members

In the matter of HHH European Holding Company Ltd

and

in the matter of the Insolvency Act 1986

A meeting of members of the above-named company has been summoned by the Liquidator for the purpose of:

receiving an account of the acts and dealings of the joint liquidators and of the conduct of the winding up to date under Section 105 of the Insolvency Act 1986.

The meeting will be held as follows:

Date: 10 January 2008

Time: 11:15am

Place: KPMG, 1-2 Dorset Rise London EC4Y 8EN

A proxy form is enclosed which must be lodged with me not later than 5pm on 9 January 2008 to entitle you to vote by proxy at the meeting.

Thomas Alexander Riddell , Liquidator

Dated 14 December 2007

KPMG Corporate Recovery
8 Salisbury Square
London EC4Y 8BB
United Kingdom
Fax +44 (0) 20 7311 3311

The Insolvency Act 1986

Proxy (creditors' voluntary winding up)

In the matter of **HIH European Holding Company Ltd**

and

in the matter of the Insolvency Act 1986

Notes to help completion of the form

Please give full name and address for communication

Name of member

Address

Please insert name of person (who must be 18 or over) or "chairman of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the names of the alternatives as well

Name of proxy-holder

1

2

3

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the member's proxy-holder at the meeting of members to be held on 10 January 2008, or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Any resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided

This form must be signed

Signature _____ **Dated** _____

Name in CAPITAL LETTERS _____

Only to be completed if the member has not signed in person

Position with member or relationship to member or other authority for signature
