

TERRA NOVA PENSION TRUSTEE LIMITED
(Registered Number 2112236)

Annual Report and Accounts
for the year ended 30th September 2006

MONDAY



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TERRA NOVA PENSION TRUSTEE LIMITED

Report of the Directors and Audited Accounts

For the year ended 30th September 2006

The Directors submit their Seventeenth Annual Report and Accounts of the Company covering the year to 30th September 2006

Activities

The Company is the Corporate Trustee of Terra Nova Insurance Company Limited Pension and Life Assurance Scheme. No other activities were pursued during the year.

Results

There is no income or expenditure in that no fees were charged in respect of the Trustee services provided by the Company during the period, the expenses of which were borne by Markel International Services Limited.

Profit and Loss Account

No profit and loss account has been prepared as the company is non-trading.

Directors

The Directors who served during the year were as follows:

L J Agambar
T Gayner
R S Gilbert
R Northedge
P Perrott
R R Whitt

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

Approved by the Board of Directors
And signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'A J Bailey'.

A J Bailey
Secretary

30th April, 2007

INDEPENDENT AUDITORS' REPORT

To the members of Terra Nova Pension Trustee Limited

We have audited the financial statements of Terra Nova Pension Trustee Limited for the year ended 30 September 2006 which comprise the Balance Sheet and the related notes as shown on pages 6 to 8. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members 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 financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of Audit Opinion

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

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Aquis Court
31 Fishpool Street
St Albans
AL3 4RF

9 May 2007

TERRA NOVA PENSION TRUSTEE LIMITED

BALANCE SHEET AS AT 30th SEPTEMBER 2006

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Net Assets – Cash in hand	<u>102</u>	<u>102</u>

Total Shareholders Funds

Called-up Share Capital	<u>102</u>	<u>102</u>
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For the year ended 30th September 2006 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985

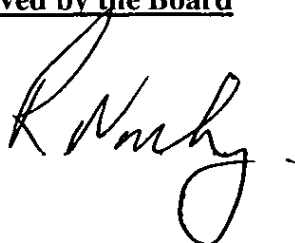
Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibility for

- i) ensuring the company keeps accounting records which comply with section 221, and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

The company did not trade during the year and received no income and incurred no expenditure. Consequently the Company has not prepared a profit and loss account

Approved by the Board



Director

30th April, 2007

The notes on Pages 7 and 8 form an integral part of these accounts

TERRA NOVA PENSION TRUSTEE LIMITED

Notes to the Accounts

1 Basis of Preparation

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom and with the historical cost convention

2 Income and Expenditure

No income was received or receivable by the Company during the year and all expenses, including audit fees, were borne by Markel International Insurance Company Limited. Accordingly no profit and loss account has been produced

3 Directors' Emoluments

The Directors neither received nor waived any emoluments for their services to the Company during the year

4 Share Capital

	<u>2006</u> £	<u>2005</u> £
Authorised	1,000	1,000
	—	—
Issued and fully paid Ordinary shares		
2 shares of £1 each	2	2
Allotted called up and Partly paid Ordinary shares		
998 shares of £1 each (10 pence called up)	100	100
	<u>102</u>	<u>102</u>

5 Ultimate Holding Company

Markel Corporation, a company incorporated in the United States of America, is the ultimate holding company. The parent company of the smallest sub-group of companies which includes the company and for which group accounts are prepared is Markel International Ltd, a company incorporated in Great Britain and registered in England and Wales

Copies of the group financial statements of Markel International Ltd can be obtained from the Company Secretary, The Markel Building, 49 Leadenhall Street, London EC3A 2EA. Copies of the group financial statements of Markel Corporation can be obtained from 4521 Highwoods Parkway, Glen Allen, Virginia 23060, USA.

Advantage has been taken of the exemption in FRS8 not to disclose transactions with entities that are part of the Markel Corporation group.