

TERRA NOVA PENSION TRUSTEE LIMITED

(Registered Number: 2112236)

Annual Report and Accounts

for the year ended 30th September 1998



TERRA NOVA PENSION TRUSTEE LIMITED

Report of the Directors and Audited Accounts

for the year ended 30th September 1998

The Directors submit their Ninth Annual Report and Accounts of the Company covering the year to 30th September 1998.

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 Terra Nova Insurance Company Limited.

Directors

The Directors who served during the year were as follows:

J. Riddick
L.J. Agambar
A.F. Aldridge
R.S. Gilbert
J.E. O'Neill
P.W. Norledge

Post the period under review, Mr Riddick resigned as a Director of the Company with effect from 1st January 1999.

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year that give a true and fair view of the company's state of affairs at the end of the year. 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; and

- prepare the accounts 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 for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Following the merger of Price Waterhouse and Coopers and Lybrand on 1st July 1998, Coopers & Lybrand resigned as auditors in favour of the new firm, PricewaterhouseCoopers, to fill the casual vacancy created by the resignation. Resolutions to appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration, will be proposed at the Annual General Meeting.

For and on behalf of the Board.



P.W. Norledge
Director & Secretary

Ag'd 26, 1999

TERRA NOVA PENSION TRUSTEE LIMITED
BALANCE SHEET AS AT 30TH SEPTEMBER 1998

	<u>1998</u> £	<u>1997</u> £
Net Assets - Cash in hand	<u>102</u>	<u>102</u>
<u>Total Shareholders Funds</u>		
Called-up Share Capital	<u>102</u>	<u>102</u>

Approved by the Board

..... *M. J. M. M.* Director

Date .. *26th April 1999* ..

The notes on Page 5 form an integral part of these accounts and the Auditor's Report is on Page 6.

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 Terra Nova 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>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Authorised	1,000	1,000
	<u> </u>	<u> </u>
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>
	<u> </u>	<u> </u>

4. Ultimate Holding Company

The Directors consider that the ultimate holding company is Terra Nova (Bermuda) Holdings Ltd. which is incorporated in Bermuda.

TERRA NOVA PENSION TRUSTEE LIMITED

Report of the Auditors to the Members of Terra Nova Pension Trustee Limited

We have audited the accounts on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on pages 2 and 3, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors 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.

Opinion

In our opinion, the accounts give a true and fair view of the state of the company's affairs at 30th September 1998 and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

26 April 1999

TERRA NOVA INSURANCE COMPANY LIMITED
PENSION AND LIFE ASSURANCE SCHEME

The Trustee

Terra Nova Pension Trustee Limited,
Terra Nova House,
41-43 Mincing Lane,
London, EC3R 7SP.

Auditors

PricewaterhouseCoopers,
1 Embankment Place,
London, WC2N 6NN.

**Scheme & Consulting
Actuaries**

William M. Mercer Limited,
Barber-Surgeon's Hall,
1A Monkwell Square,
London, EC2Y 5BL.

**Benefit and Record
Administration**

Buck Consultants Limited,
The International Financial Centre,
Old Broad Street,
London, EC2N 1HQ.

Bankers

National Westminster Bank plc.,
Fenchurch Street Branch,
116 Fenchurch Street,
London, EC3M 5AN.

The Bank of New York,
46 Berkeley Street,
London, W1X 6AA.

The Woolwich Building Society,
130 Fenchurch Street,
London, EC3M 5LY.

Pensions Advisor

William M. Mercer Limited,
Barber-Surgeon's Hall,
1A Monkwell Square,
London, EC2Y 5BL.