

Markel Europe Limited

Annual Report and Financial Statements for the year ended 31 December 2016

Registered Number 7068110



Markel Europe Limited

Annual Report and Financial Statements

for the year ended 31 December 2016

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Directors and Administration

Board of Directors

Jeremy W Brazil
Andrew J Davies
William D Stovin

Company Secretary

Andrew J Bailey

Registered Office

20 Fenchurch Street
London
EC3M 3AZ

Registered Number

Registered number is 7068110

Registered Auditor

KPMG LLP, London

Strategic Report

The Directors submit their Strategic Report of Markel Europe Limited ("the Company") for the year ended 31 December 2016.

Principal activity

The principal activity of the Company is that of an insurance agent service company in Europe. The Company acted as a service company for Markel Syndicate 3000 throughout 2016.

Results and dividends

The result for the year ended 31 December 2016 is set out on page 7. The Directors do not recommend the payment of a dividend (2015, Nil).

Principal risks and uncertainties

The Company's continuing performance depends on its appointment as service company to Syndicate 3000. Should Syndicate 3000 cease operations or change service company, the Directors would consider whether the Company served any remaining purpose and whether to dissolve the Company.

The Company does not carry on business on its own behalf and therefore has no material exposure to credit risk, market risk, liquidity risk or interest risk.

Business environment and future prospects

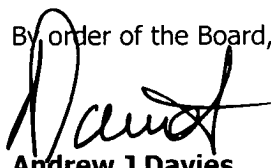
The Company is dependent upon the strategy of Syndicate 3000 continuing to undertake business in Europe through a service company.

Going concern

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

By order of the Board,



Andrew J Davies

Director
London,

21 February 2017

Directors' Report

The Directors submit the Annual Report and Financial Statements of the Company for the year ended 31 December 2016.

Directors

The Directors set out on page 1 have held office during the whole of the year ended 31 December 2016.

Creditor payment policy

During the year all payments on behalf of the Company were made by the Markel International group expense service company and fellow subsidiary Markel International Services Limited ("MISL").

Carbon policy

As set out in the "Markel Style", the Company has a commitment to its communities, which we recognise includes environmental responsibilities. Our goal is to minimise our environmental impact whilst still adhering to our other Company principles as expressed in the Markel Style and our Company profile.

Through the development of best practices in our business, the Company aims to use no more consumables than are necessary and recycle the maximum of those we do use. The Directors also believe that embedding environmental awareness throughout the organisation will be best achieved through a continuous programme of employee education.

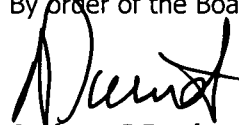
Disclosure of information to the Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board,



Andrew J Davies

Director
London

21 February 2017

Statement of Directors' Responsibilities

in respect of the Strategic Report, the Directors' Report and the financial statements

The Directors are responsible for preparing the Strategic Report, 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), including FRS 102 the Financial Reporting Standard applicable to the UK and Republic of Ireland.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they 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 judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.

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 enable them to ensure that the Financial Statements comply with the Companies Act 2006. They have 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.

Independent Auditor's Report to the members of Markel Europe Limited

We have audited the Financial Statements of Markel Europe Limited for the year ended 31 December 2016 set out on pages 7 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Company's members, 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 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the Financial Statements 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 of the Financial Statements

A description of the scope of an audit of accounts is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the Financial Statements.

Based solely on the work required to be undertaken in the course of the audit of the Financial Statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements 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 not received all the information and explanations we require for our audit.



Ben Priestley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London,
E14 5GL

21 February 2017

Statement of Comprehensive Income

for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover		-	-
Administrative expenses	2	-	-
Operating profit		-	-
Interest receivable and similar income		-	-
Result on ordinary activities before taxation		-	-
Taxation credit/(charge) on ordinary activities	4	402	(1,341)
Total comprehensive income/(retained loss) for the year		402	(1,341)

The notes on pages 10 to 13 form part of these Financial Statements.

Statement of Changes in Equity

for the year ended 31 December 2016

2016	Share Capital £	Comprehensive Income £	Total £
At beginning of the year	1	53,348	53,349
Total comprehensive income for the year	-	402	402
At end of the year	1	53,750	53,751

2015	Share Capital £	Comprehensive Income £	Total £
At beginning of the year	1	54,689	54,690
Total comprehensive retained loss for the year	-	(1,341)	(1,341)
At end of the year	1	53,348	53,349

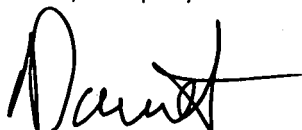
The notes on pages 10 to 13 form part of these Financial Statements.

Statement of Financial Position

as at 31 December 2016

	Notes	2016 £	2015 £
Assets			
Debtors: due within one year	5	57,011	57,011
Total assets		57,011	57,011
Creditors			
Creditors: amounts falling due within one year	6	(3,260)	(3,662)
Total liabilities		(3,260)	(3,662)
Total assets less liabilities		53,751	53,349
Capital and reserves			
Called up share capital	7	1	1
Comprehensive income		53,750	53,348
Shareholder's funds		53,751	53,349

Approved by the Board of Directors on 21 February 2017 and signed on behalf of the Company by Andrew Davies, Company Director.



Andrew J Davies
Director
London

21 February 2017

The notes on pages 10 to 13 form part of these Financial Statements.

Notes to the Financial Statements

1 Accounting policies

The Financial Statements have been prepared in compliance with Financial Reporting Standard ("FRS") 102, being the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued in August 2014.

The Company's ultimate parent undertaking, Markel Corporation includes the Company in its consolidated Financial Statements. In these Financial Statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Key Management Personnel compensation;
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules.

These Financial Statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain assets as required by the Standard. A summary of the more important accounting policies that have been applied consistently is set out below.

a) Use of judgements and estimates

In preparing these Financial Statements, the Directors of the Company have made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Further detail on the use of judgements and estimates is detailed in the following policies.

b) Financial assets and liabilities

In applying FRS 102, the Company has chosen to apply the recognition and measurement provisions of International Accounting Standard ("IAS") 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU).

Classification

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the Statement of Comprehensive Income. Financial assets and liabilities are classified on their initial recognition. Subsequent reclassifications are permitted only in restricted circumstances.

Financial assets and financial liabilities at fair value through profit and loss comprise financial assets and financial liabilities held for trading and those designated as such on initial recognition. Investments in shares and other variable yield securities, and debt and other fixed income securities are designated as at fair value through profit or loss on initial recognition, as they are managed on a fair value basis in accordance with the Company's investment strategy.

Recognition

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. A financial liability is derecognised when its contractual obligations are discharged, cancelled, or expire.

Regular way purchases and sales of financial assets are recognised and derecognised, as applicable, on the trade date, i.e. the date that the Company commits itself to purchase or sell the asset.

Measurement

A financial asset or financial liability is measured initially at fair value plus, for a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Investment Return

Investment income comprises interest and dividends receivable for the year before investment expenses. Dividends receivable are stated after adding back any withholding taxation deducted at source. Investment expenses are charged to the Statement of Comprehensive Income on an incurred basis.

Realised gains or losses represent the difference between net sales proceeds and purchase price. Unrealised gains and losses on investments represent the difference between the current value of investments at the reporting date and their purchase price. The movement in unrealised investment gains/losses includes an adjustment for previously recognised unrealised gains/losses on investments disposed of in the accounting period.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in fair value, and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

c) Foreign currencies translation

The Company's functional currency and presentational currency is sterling. Transactions denominated in currencies other than the functional currency are initially recorded in the functional currency at the exchange rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rate ruling on the reporting date.

Non-monetary assets and liabilities denominated in a foreign currency, measured at fair value, are translated into the functional currency at the date when the fair value was determined.

Exchange differences are recorded in the Statement of Comprehensive Income.

d) Taxation

Taxation is charged by reference to the taxable income included in the Statement of Comprehensive Income.

2 Operating results

Audit fees of £19,594 are paid on its behalf by the Company's subsidiary MISL, which is the group expense service company.

No emoluments were payable to the Directors in respect of their service to the Company for the period ended 31 December 2016.

3 Information regarding directors and employees

The Directors' emoluments in the year were paid by MISL, which makes no recharge to the Company. These Directors are also Directors of other companies in the Markel International Group and it is not possible to make an accurate apportionment of the emoluments in respect of each Company of the Markel International Group, that these Directors provide services to. Their emoluments are disclosed in the Financial Statements of Markel International Insurance Company Limited ("MIICL") as the entity where the Directors are considered to spend the majority of their time.

Employees

The Company had no employees during the year.

4 Taxation on result on ordinary activities

a) Analysis of (credit)/charge in the year:

	2016 £	2015 £
Current taxation		
Current tax on result for the period	-	-
Adjustments in respect of prior periods	(402)	1,341
Total taxation (credit)/charge on result on ordinary activities	(402)	1,341

b) Factors affecting the taxation (credit)/charge for the year:

	2016 £	2015 £
Result on ordinary activities before taxation	-	-
Result on ordinary activities before taxation multiplied by standard rate of corporation taxation in the UK of 20.00% (2015, 20.25%)	-	-
Adjustments in respect of prior period	(402)	1,341
Current taxation (credit)/charge (as above)	(402)	1,341

5 Debtors: amounts falling due within one year

	2016 £	2015 £
Due from Syndicate 3000	57,011	57,011

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Corporation tax payable	-	403
Amounts due to fellow subsidiary	3,260	3,259
Total	3,260	3,662

7 Called up share capital

Issued and outstanding

	2016 £	2015 £
Ordinary shares of £1.00 each	1	1

8 Related party transactions

As a qualifying entity the Company has taken advantage of the exemption in Financial Reporting Standard 102 not to disclose transactions with entities that are part of the Markel Corporation Group.

9 Ultimate holding company

The Company's immediate parent company is Markel Syndicate Management Limited. The Company's ultimate holding company is Markel Corporation, which is incorporated in the USA. Copies of the ultimate holding company's consolidated Financial Statements may be obtained from 4521 Highwoods Parkway, Glen Allen, Virginia 23060, USA. The website address is www.markelcorp.com.