Kiln Pension Guarantee Limited

Annual Report and
Financial Statements
For the year ended 31 December 2019

Registered Office
20 Fenchurch Street
London
EC3M 3BY

Registered Number 05091865

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Directors' report for the year ended 31 December 2019 (Registered number 05091865)

The directors of Kiln Pension Guarantee Limited ('the Company') present their report together with the audited financial statements for the year ended 31 December 2019.

Future developments

The company will continue to hold funds that may be required for TMKS's defined benefit (DB) pension scheme.

The Company has guaranteed that in the event of TMKS becoming insolvent, the Company will meet the pension obligations of TMKS, up to £20 million, due to the TMKS Pension and Assurance scheme.

Dividends

The directors did not declare or pay a dividend for the year ended 31 December 2019 (2018: Nil).

Political donations and political expenditure

The directors did not incur or pay any political donations or political expenditure for the year ended 31 December 2019 (2018: £nil).

Principal risks and uncertainties

Credit Risk is the main risk material to the entity. Credit risk is the risk of loss if another party fails to meet its financial obligations, including failure to meet them in a timely manner.

Credit Risk

The Company is mainly exposed to credit risk from other companies in the Tokio Marine Kiln group of companies (the 'TMK Group') in respect of charges for services provided. As the group companies are managed centrally, the financial positions of all entities are monitored closely by the Finance team to ensure payments can be made together with maximising the right of offset within the TMK Group as much as possible.

Market Risk

Market risk is the risk that arises from fluctuations in values of, or income from, assets or interest or exchange rates. Funds managed by investment managers are subject to TMK Group guidelines, and the on-going investment strategy and investment objectives that are agreed by the TMK Group Investment Committee.

Directors

The directors who served during the financial year and up to the date of signing the financial statements are as follows:

- C A S Franks (resigned 31 December 2019)
- P M Culham (resigned 30 September 2019)
- B T Irick (appointed 1 January 2020)

Directors' and officers' liability insurance

Directors' and officers' liability insurance has been purchased by the parent company, Tokio Marine Kiln Group Limited ('TMKGL') in respect of the TMK Group and this was in force during the year and at the date of signing the financial statements.

Research and development

The directors did not incur or pay any research or development expenditure for the year ended 31 December 2019 (2018: £nil).

Post balance sheet events

The COVID-19 pandemic is impacting the valuations of the investments held on the balance sheet. The investment portfolio is cautiously positioned with bond funds and no equities. Investment grade bond funds have experienced marginal falls in value as credit spreads have widened. As there are significant allocations to cash this has negated the need to sell in current market conditions and the strength of our financial assets remains secure. Investments continue to be kept under review in case any action is required.

Employees

The Company has no employees (2018: none). Staff engaged in the business of the Company are employed by fellow subsidiary Tokio Marine Kiln Insurance Services Limited.

Statement on engagement with suppliers, customers and others in a business relationship with the company

- The Company ensures strong working relationships with suppliers and endeavours to meet and accommodate supplier's terms at all times.
- The only customers of the Company are fellow subsidiaries of TMKGL which business relationships are maintained through an aligned leadership structure and common strategic goals.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
2) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Appointment of independent auditors

The Board has approved the appointment of PricewaterhouseCoopers LLP as auditors on an ongoing basis.

On behalf of the Board

Brad T. Irick

B T Irick
Director
7 August 2020

Independent auditors' report to the members of Kiln Pension Guarantee Limited

Report on the audit of the financial statements

Opinion

In our opinion, Kiln Pension Guarantee Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2019; the Income statement, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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Matthew Nichols (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 August 2020

Income statement
for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Investment income	3	562	783
Investment expenses	3	-	(2)
Operating income and other expenses	4	156	307
Profit before taxation		**718**	**1,088**
Tax on profit	8	(136)	(207)
Profit for the financial year		**582**	**881**

All activities are continuing. There is no other comprehensive income or loss attributable to the members of the Company (2018: nil). Accordingly, a separate statement of comprehensive income has not been provided for the current or prior year.

There is no material difference between the profit before taxation and the profit for the financial year stated above, and their historical cost equivalents.

The notes on pages 10 to 16 form part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2019

	Called-up share capital £'000	Share premium Account £'000	Retained earnings £'000	Total £'000
Balance as at 1 January 2018	-	20,000	2,625	22,625
Profit for the year	-	-	881	881
Balance as at 31 December 2018	**-**	**20,000**	**3,506**	**23,506**
Balance as at 1 January 2019	-	20,000	3,506	23,506
Profit for the year	-	-	582	582
Balance as at 31 December 2019	**-**	**20,000**	**4,088**	**24,088**

The notes on pages 10 to 16 form part of these financial statements.

Statement of financial position
as at 31 December 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Financial Investments	9	10,382	13,528
Current assets			
Accrued interest		279	152
Amount owed by group undertakings		-	-
Cash at bank and in hand		13,865	10,493
		24,526	**24,173**
Creditors: amounts falling due within one year			
Other creditors including taxation and social security	10	(438)	(667)
		(438)	**(667)**
Net assets		**24,088**	**23,506**
Capital and reserves			
Called up share capital	11	-	-
Share premium account		20,000	20,000
Retained earnings		4,088	3,506
Total shareholders' funds		**24,088**	**23,506**

The financial statements on pages 7 to 16 were approved by the Board of directors on 7 August 2020 and signed on its behalf by:

Brad T. Irick

B T Irick
Director

The notes on pages 10 to 16 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2019

1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). They are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Exemptions for qualifying entities under FRS 101

FRS 101 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with.

The Company has taken advantage of the following exemptions:

- the preparation of cash flow statements on the basis that the ultimate parent company's consolidated statement of cash flows will include the Company's cash flows;
- the preparation of capital management disclosures on the basis that the ultimate parent company's consolidated financial statements will include the Company's capital management disclosures;
- the preparation of related party disclosures on the basis that the ultimate parent company's consolidated financial statements will include the Company's related party disclosures; and
- the requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective.

New standards, amendments and IFRIC interpretations

The Company has adopted the following amendments to standards with a date of initial application of 1 January 2019:

IFRS 16 Leases replaces the current lease accounting standard, IAS 17. IFRS 16 eliminates the classification of leases as either operating or finance leases for lessees. Instead, lessees will be required to recognise both a right-of-use asset and a lease liability on balance sheet for all leases. The standard has not yet been applied and will apply to reporting periods beginning on or after 1 January 2019.

The Company has undertaken an assessment of its existing leasing arrangements in light of the new accounting rules in IFRS 16. The Company will take the modified retrospective transition approach where prior year comparative figures will not be restated and the cumulative effect of the change in accounting policy will be recognised as an adjustment to opening equity. The lease liability will be measured at the present value of remaining lease commitments, discounted using rates as at the date of transition. The right-of-use asset will be measured at an amount equal to the lease liability at the date of transition.

IFRS 16 did not have a significant effect on the financial statements of the Company.

1.2 Principal accounting policies

The significant accounting policies adopted in the preparation of the financial statements are set out below. They have been applied consistently to all periods presented in these financial statements.

a. Investment return
Investment return comprises interest and dividends receivable for the year together with realised and unrealised investment gains and losses from the assets held by the Company.

b. Financial investments
Financial investments are carried in the statement of financial position at market values. Market valuations of funds are obtained from fund administrators. The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques including the amortised cost method.

c. Derivative financial instruments
Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently carried at fair value. Changes in the fair value are recognised immediately in the income statement. Fair values are obtained from: quoted market prices in active markets including recent market transactions; and valuation techniques including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

d. Other debtors/creditors
Other debtors/creditors are recognised and carried at the recoverable amount. The carrying value of other debtors/creditors is reviewed for impairment whenever events or circumstances indicate that the carrying amount is greater than the recoverable amount, with the impairment adjustment recorded in the income statement.

e. Foreign currency translation
<u>Functional and presentation currency</u>
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in sterling which is also the functional currency of the Company.

<u>Transactions and balances</u>
Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions or an appropriate average rate of exchange. Foreign exchange gains and losses resulting from the settlement of monetary items relating to such transactions and from the measurement at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

f. Share capital
Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

2 Use of critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving significant estimates or judgements are:

Financial investments	Financial investments are carried in the statement of financial position at market values. Market valuations of funds are obtained from fund administrators. The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques including the amortised cost method.

3 Investment income and expenses

	2019 £'000	2018 £'000
Income from financial assets at fair value through profit and loss	562	783
Investment management expenses	-	(2)
Total investment income and expenses	**562**	**781**

All investment return is derived from assets held at fair value through the profit and loss.

4 Operating income and other expenses

	2019 £'000	2018 £'000
Net foreign exchange gains/(losses)	1,056	(9)
Net (losses)/gains on translation of assets and liabilities at closing rates	(894)	324
Other expenses	(6)	(8)
Total income	**156**	**307**

5 Auditors' remuneration

	2019 £'000	2018 £'000
Fees payable to the Company's auditor for the audit of the statutory financial statements	6	5

The Company has not incurred any non-audit fees during the year (2018: none).

6 Staff costs

The Company has no employees (2018: nil). Staff engaged in the business of the Company, are employed by a fellow group undertaking, Tokio Marine Kiln Insurance Services Limited.

7 Directors' remuneration

All directors are also directors within the TMK Group. The directors do not receive emoluments for their services provided to this Company (2018: Nil)

8 Tax on profit

a. Analysis of charge in current year

	2019 £'000	2018 £'000
Current Tax		
UK corporation tax on profit for the year	136	207

b. Factors affecting tax charge for year

The tax on the Company's profit before tax is the same as the theoretical amount that would arise using the standard tax rate applicable to profits of the Company (2018: same as).

	2019 £'000	2018 £'000
Profit before taxation	718	1,088
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	136	207
Total tax charge for the year	136	207

9 Financial Investments

Fair value estimation

Financial instruments that are fair valued through profit and loss are classified using a fair value hierarchy that reflects the significance of the inputs used in these measurements.

- Level 1 financial instruments comprise of government bonds and foreign currency derivatives. These have been valued at fair value using quoted prices in an active market.
- Level 2 financial instruments are less regularly traded government agency bonds and corporate bonds. These fair values have been derived from quoted prices.
- The fair value for level 3 financial instruments is generally derived from inputs that are not based on observable market data. Level 3 securities consist of a position in a private corporate loan fund.

	2019 £'000			
	Level 1	**Level 2**	**Level 3**	**Total**
Debt securities:				
Loan fund	-	-	10,303	**10,303**
Derivatives	79	-	-	**79**
Total financial investments at fair value through profit and loss - designated upon initial recognition	**79**	**-**	**10,303**	**10,382**

	2018 £'000 Level 1	Level 2	Level 3	Total
Debt securities:				
Loan fund	-	-	13,444	**13,444**
Derivatives	84	-	-	**84**
Total financial investments at fair value through profit and loss - designated upon initial recognition	**84**	**-**	**13,444**	**13,528**

Level 3 financial instruments

	2019 £'000	2018 £'000
Financial investment assets		
Opening balance	13,444	16,177
Purchases during the year	673	2,850
Sales during the year	(4,277)	(6,175)
Gain recognised in the profit and loss	463	592
Closing balance	**10,303**	**13,444**

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the exchange rates for GBP/USD and GBP/EUR.

10 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to group undertakings	302	460
UK Corporation tax payable	136	207
	438	**667**

11 Called up share capital

	2019	2018
Allotted, called up and fully paid ordinary shares	2	2

12 Risk Management

Financial risk

The Company is exposed to a range of financial risks through its financial assets. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the pension obligations arising from an insolvency of TMKS. The most important components of this financial risk are credit risk, liquidity risk and market risk (including interest rate risk).

These risks arise from open positions in interest rate products, all of which are exposed to general and specific market movements.

Credit risk

The following table provides information regarding credit risk exposures of the Company by classifying assets according to the credit ratings of the counterparties. For financial investments, the Standard & Poor's credit rating was used. For other assets, where a rating is provided by more than one rating agent, the highest rating was assigned to that asset. Where a security has no credit rating the rating of the issuer is used. During the year there were no material breaches in exposure limits.

2019	AAA £'000	AA £'000	A £'000	<A £'000	NR £'000	Total £'000
Other financial investments	-	-	-	79	10,303	**10,382**
Cash at bank and in hand	-	-	13,865	-	-	**13,865**
Total credit risk exposure	**-**	**-**	**13,865**	**79**	**10,303**	**24,247**

2018	AAA £'000	AA £'000	A £'000	<A £'000	NR £'000	Total £'000
Other financial investments	-	-	-	84	13,444	**13,528**
Cash at bank and in hand	-	-	10,493	-	-	**10,493**
Total credit risk exposure	**-**	**-**	**10,493**	**84**	**13,444**	**24,021**

Liquidity risk

The following table analyses the significant monetary assets into their relevant maturity groups based on the remaining period at the yearend date to their contractual maturities or expected settlement dates. The financial instruments can be realised at any time but the table presents their maturity profiles should they continue to be held. .

2019	Up to 1 year £'000	1-3 years £'000	3-5 years £'000	Over 5 years £'000	Total £'000
Assets					
Other financial investments	79	943	7,004	2,356	**10,382**
Cash at bank and in hand	13,865	-	-	-	**13,865**
	13,944	**943**	**7,004**	**2,356**	**24,247**

2018	Up to 1 year £'000	1-3 years £'000	3-5 years £'000	Over 5 years £'000	Total £'000
Assets					
Other Financial investments	84	1,165	3,109	9,170	**13,528**
Cash at bank and in hand	10,493	-	-	-	**10,493**
	10,577	**1,165**	**3,109**	**9,170**	**24,021**

Exchange rate sensitivity analysis

The analysis below is performed for possible movements in key variables with all other variables held constant, showing the impact on profit. The correlation of variables will have a significant effect in determining the ultimate impact. However, to isolate and demonstrate the impact due to changes in variables, each variable has been changed on an individual basis. It should be noted that movements in these variables are non-linear.

The following table shows the effect of a 10 cent movement in the Euro to pound sterling exchange rates.

	2019		2018	
	Impact on profit before tax £'000	Impact on equity £'000	Impact on profit before tax £'000	Impact on equity £'000
10 cent increase in EUR	(1,076)	(861)	(1,318)	(1,054)
10 cent decrease in EUR	1,275	1,020	1,579	1,263

13 Ultimate Parent Company and Controlling party

The ultimate parent company and controlling party is Tokio Marine Holdings, Inc. incorporated in Japan. Copies of the consolidated financial statements of Tokio Marine Holdings, Inc. are available from 1-2-1 Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan.

The immediate parent company is Tokio Marine Kiln Group Limited, which is incorporated and registered in England and Wales.

14 Post balance sheet events

In December 2019, an infectious Coronavirus disease (COVID-19) was identified in Wuhan, China. The World Health Organization declared the COVID-19 outbreak a public health emergency of international concern on 30 January 2020 and a pandemic on 11 March 2020. COVID-19 continues to be an ongoing global pandemic at the time of approval of these financial statements. The impact of the COVID-19 pandemic is a non-adjusting post balance sheet event because the significant development and spread of COVID-19 did not take place until 2020. Investment grade bond funds have experienced marginal falls in value as credit spreads have widened. As there are significant allocations to cash this has negated the need to sell in current market conditions and the strength of our financial assets remains secure. Investments continue to be kept under review in case any action is required.

There are no other post balance sheet events.