Kiln Pension Guarantee Limited

Annual Report and Financial Statements
For the year ended 31 December 2020

Registered Office
20 Fenchurch Street
London
EC3M 3BY

Registered Number 05091865

Directors' report for the year ended 31 December 2020

The directors of Kiln Pension Guarantee Limited (the Company) present their report together with the audited financial statements for the year ended 31 December 2020.

Principal activities
The Company is a private limited company incorporated in the UK and registered in England and Wales. The principal activity of the Company consists of holding investments that may be required for the Tokio Marine Kiln Syndicates Limited (TMKS) defined benefit 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 £20,000,000, due to the TMKS Pension and Assurance scheme.

The Company is a wholly owned subsidiary of Tokio Marine Group Limited (TMKGL). The Company's ultimate parent company is Tokio Marine Holdings, Inc., Japan.

The Company holds financial investments and cash which would be used to meet the Company's obligations under the guarantee.

Future developments
The Company will continue to hold investments that may be required for TMKS's defined benefit pension scheme.

Dividends
The directors did not declare or pay a dividend for the year ended 31 December 2020 (2019: £nil).

Going concern
The Company remains a going concern and will continue to meet all obligations as they fall due. The Company benefits from its membership of the wider Tokio Marine Kiln Group (TMK Group) which is able to inject additional funds, allow the Company to defer settlement of intercompany balances and settle charges on behalf of the Company, if needed.

Political donations and political expenditure
The directors did not incur or pay any political donations or political expenditure for the year ended 31 December 2020 (2019: £nil).

Principal risks and uncertainties
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 the insolvency of TMKS. The most important components of this financial risk are credit risk, liquidity risk and market risk, including interest rate risk. Funds managed by an investment manager are subject to TMK Group guidelines, and the on-going investment strategy and investment objectives that are agreed by the TMKGL Board. Further information on the management of financial risk is provided in note 12 to these financial statements.

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

B T Irick (appointed 1 January 2020)

Directors' and officers' liability insurance
Directors' and officers' liability insurance has been purchased by TMKGL in respect of all TMK Group companies. 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 2020 (2019: £nil).

Post balance sheet events
Information on post balance sheet events is disclosed in the notes to the financial statements.

Employees
The Company has no employees (2019: none). Staff engaged in the business of the Company are employed by fellow TMKGL 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 Company does not have any customers.

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 and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Ireland" (FRS 102). 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, including FRS 102, 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:

- so far as the director is aware, there is no information relevant to the audit of which the Company's auditors are unaware; and
- each director has taken all steps that they ought to have taken in their duty 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.

By order of the Board

DocuSigned by:
Brad T. Irick
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B T Irick
Director
18 June 2021

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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Balance Sheet as at 31 December 2020; the Profit and loss account, 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2020 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK and European regulatory principles, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journals and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, internal audit and the company's risk and compliance functions, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Challenging assumptions and judgements made by management in their accounting estimates.
- Identifying and testing journal entries, in particular any journals that appear to be posted outside the normal patterns and parameters, any journal entries posted with unusual account combinations and journals posted by senior management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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.

Matthew Nichols (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 June 2021

Profit and loss account for the year ended 31 December 2020

	Note	**2020 £'000**	2019 £'000
Investment (loss)/income		**(835)**	562
Operating income and other expenses	3	**(86)**	156
(Loss)/profit before tax		**(921)**	718
Tax on (loss)/profit	6	**175**	(136)
(Loss)/profit for the financial year		**(746)**	582

All activities are continuing. There is no other comprehensive income or loss attributable to the members of the Company (2019: nil). Accordingly, a separate statement of comprehensive income has not been provided for the current or prior year.

The notes on pages 10 to 15 form part of these financial statements.

Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance as at 1 January 2019 under FRS 101 and FRS 102	-	20,000	3,506	23,506
Profit for the financial year	-	-	582	582
Balance as at 31 December 2019	-	20,000	4,088	24,088
Balance as at 1 January 2020	-	**20,000**	**4,088**	**24,088**
Loss for the financial year	-	-	**(746)**	**(746)**
Balance as at 31 December 2020	-	**20,000**	**3,342**	**23,342**

The notes on pages 10 to 15 form part of these financial statements.

Balance Sheet as at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Investments	7	**8,502**	10,382
Current assets			
Accrued interest		**77**	279
Deferred tax asset	8	**175**	-
Cash at bank and in hand		**15,166**	13,865
Total assets		**23,920**	24,526
Creditors: amounts falling due within one year	**9**	**(578)**	(438)
Net assets		**23,342**	24,088
Capital and reserves			
Called up share capital	10	**-**	-
Share premium account		**20,000**	20,000
Retained earnings		**3,342**	4,088
Total shareholders' funds		**23,342**	24,088

The financial statements on pages 7 to 15 were approved by the Board of directors on 18 June 2021 and were signed on its behalf by:

DocuSigned by:
Brad T. Irick
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B T Irick
Director
18 June 2021

The notes on pages 10 to 15 form part of these financial statements.

Notes to the financial statements

1. Accounting policies

1.1 Disclosure requirements

The financial statements have been prepared in accordance with the accounting standards set out below and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006. The financial statements cover those of the individual entity.

The financial statements for the year ended 31 December 2020 are the Company's first financial statements that comply with FRS 102. For financial years ending 31 December 2015 onwards the Company prepared financial statements in accordance with FRS 101 'Reduced Disclosure Framework' and prior to that with previous UK GAAP. The date of transition to FRS 102 was 1 January 2019, which is the beginning of the earliest period for which the Company is presenting full comparative information in accordance with FRS 102. No restatement of prior year balances prepared in accordance with FRS 101 was required to comply with FRS 102. The principal effects of the adoption of FRS 102 are provided in note 14 on first time adoption.

1.2 Exemptions for qualifying entities under FRS 102

As a 'qualifying entity' i.e. a member of a group where the parent of that group, Tokio Marine Holdings, Inc., prepares publicly available consolidated financial statements) the Company has taken advantage of the disclosure exemption in FRS 102.1.12 to not prepare the Statement of Cash Flows required by Section 3: Financial Statement Presentation 3.17(d) and Section 7: Statement of Cash Flows.

Additionally, as permitted by FRS 102.33.1A, related party transactions have not been disclosed where these are entered into by two or more wholly owned subsidiaries of Tokio Marine Holdings, Inc.

1.3 Statement of compliance

The financial statements are prepared in accordance with FRS 102.

The preparation of financial statements in conformity with FRS 102 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The Company is included in the consolidated financial statements of Tokio Marine Holdings, Inc., which are publicly available. These consolidated financial statements are compliant with all of the conditions outlined within Section 401 of the Companies Act 2006.

These financial statements are prepared on a going concern basis under the historical cost convention as modified by the recognition and valuation of financial assets at fair value.

1.4 New standards and amendments

The Company has applied FRS 102, as issued in March 2018, which reflects the amendments made as part of the Triennial Review 2017. There are no amendments to UK accounting standards impacting the year ended 31 December 2020 financial statements.

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

b. Financial investments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. The Company's financial investments are investments in private corporate loan funds and derivatives. Financial investments are initially recorded at the transaction price, which equates to fair value. Financial investments are subsequently carried at fair value through profit or loss. Changes in the fair value are recognised in the profit and loss account.

Market valuations of private corporate loan funds are obtained from fund administrators. Where no active market exists or where quoted prices are not otherwise available, the fair value is determined by using valuation techniques.

Fair values of derivatives 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.

c. Other debtors/creditors

Other debtors/creditors are recognised at transaction price and carried at the recoverable amount/amount expected to be paid. The carrying value of other debtors 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 profit and loss account.

d. Cash at bank and in hand

Cash at bank and in hand is comprised of cash and other short-term highly liquid investments with a maturity of three months or less from the date of acquisition. These investments are subject to insignificant risk of change in fair value.

e. Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event where it is probable. i.e. more likely than not that this will result in an outflow of resources. A provision is recognised when a reliable estimate of the amount of the obligation can be made. Recognition of a provision or a change in provision is recognised as an expense in administrative expenses in the profit and loss account.

f. Foreign currency translation

Functional and presentation currency

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 pound sterling which is also the functional currency of the Company.

Transactions and balances

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 profit and loss account.

g. 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 balance sheet 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. 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.

3. Operating income and other expenses

	2020 **£'000**	2019 £'000
Net foreign exchange (losses)/gains	**(637)**	1,056
Net gains/(losses) on translation of assets and liabilities at closing rates	**548**	(894)
Other income/(expenses)	**3**	(6)
Total (expense)/income	**(86)**	156

4. Auditors' remuneration

	2020 **£'000**	2019 £'000
Fees payable to the Company's auditors for the audit of the Company	**8**	6

Audit fees are billed combined for the TMK Group and paid by a fellow subsidiary. Audit fees are not recharged to this entity. The Company has not incurred any non-audit fees during the year (2019: £nil).

5. Staff costs

The Company has no employees (2019: nil). Staff engaged in the business of the Company are employed by a fellow TMK Group undertaking, Tokio Marine Kiln Insurance Services Limited.

Directors' remuneration

The directors are paid for their service to the TMK Group, not individual companies. The remuneration in relation to estimated time spent by the Company's directors on the affairs of the Company is £nil (2019: £nil).

6. Tax on (loss)/profit

Analysis of (credit)/charge in current year

	2020 **£'000**	2019 £'000
Current tax	-	136
Deferred tax	**(175)**	-

Factors affecting current tax (credit)/charge

The tax on the Company's (loss)/profit before tax is the same as the theoretical amount that would arise using the standard tax rate applicable to (losses)/profits of the Company (2019: same as).

	2020 **£'000**	2019 £'000
(Loss)/profit before taxation	**(921)**	718
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**175**	(136)
	175	(136)

7. Investments

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.
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	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
2020				
Financial investment assets				
Debt securities:				
- Loan Fund	-	-	**8,502**	**8,502**
- Derivatives	-	-	-	-
Total financial investment assets	-	-	**8,502**	**8,502**
2019				
Financial investment assets				
Debt securities:				
- Loan Fund	-	-	10,303	10,303
- Derivatives	79	-	-	79
Total financial investment assets	79	-	10,303	10,382

8. Deferred Tax Asset

	2020 £'000	2019 £'000
Balance at 1 January	-	-
Deferred tax credit in the profit and loss account (note 6)	175	-
Balance at 31 December	**175**	-

9. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed to group undertakings	**578**	302
UK Corporation tax payable	-	136
	578	438

10. Called up share capital

	2020 £'000	2019 £'000
Allotted, called up and fully paid £1 ordinary shares	-	-

Share premium is a statutory non-distributable reserve which records the amount above the nominal value received for shares issued less transaction costs.

11. Contingent liabilities

The Company has guaranteed that in the event of a fellow subsidiary of TMKGL, Tokio Marine Kiln Syndicates Limited (TMKS), becoming insolvent, the Company will meet the pension obligations of TMKS, up to £20,000,000, due to the TMKS Pension and Assurance scheme.

The directors do not currently consider that it is probable that this guarantee will be called on and accordingly no provision for any liability has been made in these financial statements.

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 the 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.

	AAA £'000	AA £'000	A £'000	<A £'000	NR £'000	Total £'000
2020						
Other financial investments	-	-	-	-	**8,502**	**8,502**
Cash at bank and in hand	-	-	**15,166**	-	-	**15,166**
Total credit risk exposure	-	-	**15,166**	-	**8,502**	**23,668**
2019						
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

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.

	Up to 1 year £'000	1-3 years £'000	3-5 years £'000	Over 5 years £'000	Total £'000
2020					
Other financial investments	**119**	**1,789**	**5,111**	**1,483**	**8,502**
Cash at bank and in hand	**15,166**	-	-	-	**15,166**
	15,285	**1,789**	**5,111**	**1,483**	**23,668**
2019					
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

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.

	2020		2019	
	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	**(804)**	**(643)**	(1,076)	(861)
10 cent decrease in EUR	**961**	**769**	1,275	1,020

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. Explanation of the transition from FRS 101 to FRS 102
The financial statements for the year ended 31 December 2020 are the Company's first financial statements that comply with FRS 102. For financial years ending 31 December 2015 onwards the Company prepared financial statements in accordance with FRS 101 'Reduced Disclosure Framework' and prior to that with previous UK GAAP. The date of transition to FRS 102 was 1 January 2019, which is the beginning of the earliest period for which the Company is presenting full comparative information in accordance with FRS 102. No restatement of prior year balances prepared in accordance with FRS 101 was required to comply with FRS 102.

Financial Investments
The Company's financial investments are investments in private corporate loan funds and derivatives.
The Company's investments in private corporate loan funds are Level 3 investments which were valued at fair value through profit or loss under IFRS 9. This is consistent with the fair value requirements of FRS 102.11.14(d)(iv) and therefore no adjustment is required on transition.

The Company's investments in derivatives were valued at fair value through profit or loss under IFRS 9. This is consistent with the fair value requirements for derivatives of FRS 102.12.8 and therefore no adjustment is required on transition.

Provisions/contingent liabilities
The Company has guaranteed that in the event of a fellow subsidiary of TMKGL, TMKS, becoming insolvent, the Company will meet the pension obligations of TMKS, up to £20,000,000, due to the TMKS Pension and Assurance scheme.

No provision was required to be recognised under FRS 101 as under IAS 37 a provision is only required to be recognised when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. This is consistent with the requirements of FRS 102.21.4 and consequently no provision has been recognised under FRS 102.

There are no other differences between the requirements of FRS 101 and FRS 102 that are relevant to the Company.

15. Post balance sheet events
There are no post balance sheet events.