

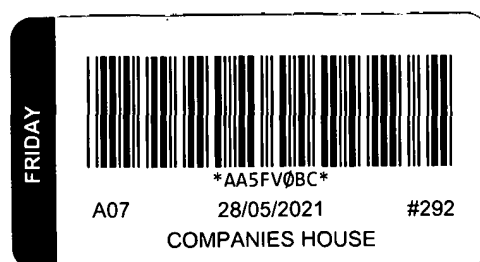
MS Amlin Underwriting Limited

Annual Report and Financial Statements

31 December 2020

Registered Number: 2323018

Registered Office:
The Leadenhall Building
122 Leadenhall Street
London
EC3V 4AG



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Directors and officers

Directors

G A M Bonvarlet
P J Calnan
A J Carrier
P J Green
J G Holland
M P Hudson
H Morimoto
S Imayoshi
J G Slabbert
H S Trilovszky
A Verga
T Yamada

Company secretary

F L Moule

Registered office

The Leadenhall Building
122 Leadenhall Street
London
EC3V 4AG

Statutory auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Registered Number: 02323018

Strategic report for the year ended 31 December 2020

The directors present their Strategic report for the year ended 31 December 2020.

Business review and principal activities

During the year, MS Amlin Underwriting Limited (the 'Company' or 'MS AUL') has acted as managing agent of fellow related Lloyd's Syndicate 2001 (the 'Syndicate') and is a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited ('MSI'). MSI and its subsidiaries are hereby referred to as the Group. The ultimate parent is MS&AD Insurance Group Holdings, Inc., further details of which can be found in note 22.

The Company has responsibility for the management, conduct of the underwriting and all aspects of administration of the Syndicate it manages. The underwriting capacity of Syndicate 2001 was £1,600 million in 2020, having been reduced from £1,850 million in 2019 and 2018. The capacity for 2021 will be maintained at £1,600 million.

During 2020 there have been no significant changes in the Company's principal activities in the year and there are not expected to be any changes to principal business activities in the foreseeable future.

The annual income of the Company comprises an agency fee based on the underwriting capacity of Syndicate 2001. For the 2020 underwriting year of account this was set at 1.0% (2019 underwriting year of account: 1.0%, 2018 underwriting year of account: 1.5%). In accordance with International Financial Reporting Standard ('IFRS') 15, this income is recognised over the period the underwriting year of account remains open (36 months). Fees that have been received but not recognised as revenue at the balance sheet date are deferred. The Syndicate is, through MS Amlin Corporate Member Limited (the 'Corporate Member'), a wholly aligned Syndicate of Mitsui Sumitomo Insurance Company, Limited. From 1 January 2021 the agency fee has been maintained at 1.0%.

The Company's profit after tax for 2020 is £7.1 million, reduced on prior year profit after tax of £10.5 million. This is primarily caused by the reduction in the agency fee, as detailed above, offset by reduced expenses primarily those relating to employee performance based incentives. Investment income is £0.4 million (2019: £1.4 million), the reduction on prior year is primarily attributed to COVID-19 impacts on investment markets.

This profit after tax supports the increase in net assets of the Company from £13.4 million to £20.5 million.

The financial performance and position of the Company is outlined in the Directors' report on page 7.

MSI Group restructuring

On 19 November 2019, MSI announced a reorganisation of its international business including the removal of the regional holding company framework across its European region, including the previous intermediate parent MS Amlin plc. This culminated on 1 January 2020 with the transfer of the entire shareholding of the managing agent and the Corporate Member to MSI.

Key performance indicators

The directors and management monitor the performance of the Company in respect of income (as discussed above), expenses (predominantly employee incentive payments shown in note 9) and capital adequacy. The capital adequacy position is disclosed in Principal risks and uncertainties and financial risk management paragraph below.

Climate Change

The Board of the managing agent has taken note of future requirements for climate related financial disclosures as set by the Bank of England (through the Prudential Regulation Authority) in various announcements and consultation processes. This also applies to the Task Force on Climate-related Financial Disclosures.

The Board has overall responsibility for strategy, performance and risk management and only through careful management in each of these areas of our business can we achieve our strategic objectives and manage the risks and opportunities arising from climate change. We are committed to making transparent, sustainable financial decisions and to actively managing the long term financial risks of climate change, in partnership with our customers as we transition together towards to a low carbon future.

Given the central role of the Board in setting strategy, performance targets and risk appetite in relation to climate risks, a project team has been established to assess and develop capabilities to deliver our future requirements over the medium term. The Board also appointed a dedicated executive responsible for climate change. The MS AUL Strategy & Transformation Director represents MS Amlin on the ClimateWise Insurance Advisory Council, is Chairman of the newly formed Climate Change Forum and is the named executive with regulatory responsibility for climate change.

In addition, MS Amlin has been a signatory to the ClimateWise initiative since its inception in 2007. Our membership offers us a platform to collaborate and actively contribute towards the insurance industry's response, identifying new ways and approaches to confront climate change challenges. The most recent MS Amlin ClimateWise report is available via www.msamlin.com.

Brexit

The UK left the EU on 31 January 2020, with a 'transition' period to the end of 2020 for negotiating a new trade deal between the UK and EU. This was completed and came into effect on 1 January 2021.

Having aligned our European business to the new Lloyd's Brussels subsidiary since 1 January 2019, we believe we have established the most effective foundation, to continue to support our clients throughout the UK and Europe with the same products and high level of service as we do today. This is considered to mitigate the uncertainty in place as to the final terms of the UK's new relationship with the EU for financial services.

On 30 December 2020, the Lloyd's mandated market wide Part VII transfer of historical, open EEA policies and claims, to the Lloyd's subsidiary in Brussels, was completed. By utilising this structure, MS Amlin and Lloyd's has a platform for which there will be no restrictions on servicing any policies, especially for those clients with multi-jurisdictional policies, that span either individual EU states or the UK, mitigating the loss of EU passporting rights. This allows MS Amlin to continue to support our clients throughout the UK and Europe to the same high standard as pre-Brexit.

Going concern

The company is solely dependent on the existence of Syndicate 2001 to continue operating, as such a 2021 year of account has been opened by the Syndicate and there is no intention to close the Syndicate or cease its operations, therefore the Syndicate will remain open until at least 31 December 2023.

The Syndicate has financial resources to meet its financial needs and manages a mature portfolio of insurance risk through an experienced and stable team. The directors believe that the Syndicate is well positioned to manage its business risks successfully in the current economic environment. The directors have continued to review the business plans, liquidity and operational resilience of the Syndicate, particularly in light of the risks associated with COVID-19. There is also surplus capital available in the Corporate Member.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future given the Company's net asset position and surplus in excess of Lloyd's solvency requirements at year end. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

COVID-19 (coronavirus)

The COVID-19 pandemic is ongoing and continuing to affect the Company throughout its operations. COVID-19 has caused volatility in financial markets which has hindered the Company's investment return, although still generating a net financial gain during the year 2020. Investment allocations have been reweighed as a consequence and the Company remains within its investment risk appetite. The Company expects volatility to remain elevated as investors, policymakers and citizens adjust to an ever changing landscape.

As a managing agent, the Company is reliant upon the existence of the Syndicate as a going concern for its own long term existence. A review of the impact of COVID-19 on the Syndicate concluded it will be able to operate as a going concern under all reasonably plausible severe scenarios considered. In the event that the impact of COVID-19 on the Syndicate reduced available capital to the extent that a contraction of underwriting capacity was required this would reduce the managing agent fee available receivable by the Company. However the cost base of the Company is flexible, comprising mainly discretionary variable compensation costs, and it is anticipated that the Company could absorb this drop in income.

The Company is also dependent on the services provided by MS Amlin Corporate Services Limited to continue operating as managing agent. A review of the impact of COVID-19 on MS Amlin Corporate Services Limited concluded it will be able to operate as a going concern and continue to provide services to the Company under all reasonably plausible severe scenarios considered.

The Company expects to continue to meet its capital requirements and to be able to pay expenses as they become due, even in stressed scenarios. Based on the impact on related businesses there is expected to be limited impact to the demand for the managing agent services it provides to the Syndicate and limited operational impact on the Company's own core business processes. Therefore the Board does not consider that the COVID-19 pandemic impacts the conclusion of the Company's going concern assessment.

Principal risks and uncertainties and financial risk management

The principal risk to the Company is that the underwriting capacity of Syndicate 2001 is reduced to a level where the agency fees received do not enable the Company to meet its liabilities and comply with Lloyd's solvency requirements. It is unlikely that this risk will arise as the Company maintains a buffer of net assets and net current assets in excess of the Lloyd's minimum requirements.

The net asset solvency surplus at 31 December 2020 is £18.1 million (31 December 2019: £11.0 million) in excess of the minimum requirement of £2.0 million. The net current asset surplus at 31 December 2020 is £21.1 million (2019: £13.0 million) in excess of the 25% relevant recurring expenditure requirement of £3.9 million (2019: £5.8 million).

The Company is also subject to financial risk and its earnings are directly impacted by changes in the valuation of investments held. These valuations vary according to movements in underlying markets. Factors affecting markets include changes in the economic and political environment, risk appetite, liquidity and interest rates. Investments are held predominantly in pooled bond funds and money market funds. Market risk relates to interest rates.

Investors' expectations of interest rates will impact bond yields. The value of the Company's bond holdings is therefore subject to fluctuations as bond yields rise and fall. Typically if yields fall the capital value will rise, and vice versa.

The Company's exposure to risk is detailed in note 16 of these financial statements.

Section 172(1) Statement

Under section 172 of the Companies Act 2006, the directors of a Company must act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they should have regard to other factors, including but not limited to: (a) the likely consequences of any decision in the long term; (b) the interests of the Company's employees; (c) the need to foster the Company's business relationships with suppliers, customers and others; (d) the impact of the Company's operations on the community and the environment; (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and (f) the need to act fairly as between members of the Company.

The Directors of the Company are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. Management ensure that the Board are assisted in considering key stakeholders as part of the process for setting strategy and making decisions by considering relevant stakeholder considerations as appropriate, for inclusion in board papers and in the information provided to the Board before Board meetings.

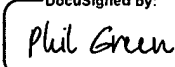
The Directors acknowledge that effective and meaningful engagement with stakeholders, and the positive performance against the Company's KPIs were key to promoting the success of the Company. Given the activities of the Company (and the fact that it has no employees), our key stakeholders are identified as Mitsui Sumitomo Insurance Company, Limited (the Sole Shareholder); our suppliers; the Company's regulators; the community; and the environment. The following paragraphs explain how they were considered in principal financial decisions during 2020:

- **MSI reorganisation** – in November 2019, the company's parent announced a new operating model, where under the new structure, effective from 1 January 2020, the Company is directly owned by MSI. The impact of the above decisions and the new operating model on the Company's stakeholders was considered by the Board. The Directors believe that the above decisions are in the long-term interests of the Company and its stakeholders through building value across MSI and its subsidiaries by increasing efficiency, using talent to greater effect and ultimately driving improved financial performance and growth.
- **Investment strategy** – the risk committee has outlined the risk tolerance of the company's investment strategy to ensure responsible investing and decisions are made. They understand the importance of investing responsibly to ensure both risk and reward are optimal to meet the company's financial requirements.
- **Payment of Dividends** – during the year the Company did not declare any dividends to its parent, Mitsui Sumitomo Insurance Company, Limited. The directors ensured they understood the impacts of this decision on the Company's stakeholders. The primary factor was to ensure that all Lloyd's solvency requirements were comfortably met and the Company would remain liquid and able to meet its financial obligations as they fall due. In the case of 2020, although the Company was profitable, it

was decided this would not be a responsible decision and so no dividends were declared during the year.

- Employees – as the Company has no employees, it relies on employees of MS Amlin Corporate Services Limited ('MS ACS') for the management and execution of its operations. Therefore, the Directors understand that the decisions they make will have a significant impact on the employees of MS ACS. The Directors recognise that these employees are fundamental to its long-term success and seek to promote the interests of all employees. Through employee surveys, the employee consultation forum and other engagement actions, such as town halls, the interests of employees are regularly evaluated by the Directors. In addition, the Employee Assistance Programme provides expert and confidential support to employees in difficult circumstances and a comprehensive learning and development programme supports the different development needs of employees. During 2020, in conjunction with MS ACS, the Directors of the Company approved a Speak Up policy and process to complement all of the above.

Approved by the Board and signed by order of the Board

DocuSigned by:

E1056182089B438...
P J Green
Chief Financial Officer
20 May 2021

Directors' report for the year ended 31 December 2020

The Directors present their report and the audited financial statements for the year ended 31 December 2020. Principal risk management objectives and the Company's policy on financial risk management are outlined in the Strategic report on pages 4 - 6 under Principal risks and uncertainties and financial risk management.

Results and dividends

The result after tax of the Company for the year ended 31 December 2020 amounted to a profit of £7.1 million (2019: £10.5 million), full details are set out in the Statement of profit or loss on page 13 and the related notes.

The Statement of financial position on page 14 of the financial statements shows that the net assets of the Company at 31 December 2020 were £20.5 million (2019: £13.4 million).

No dividends (2019: £42.0million) were declared or settled during the year.

Directors and officers

The directors and officers of the Company at the date of approval of these financial statements are shown on page 3. During the year and up to the date of signing, the following changes to the Board of directors occurred:

Name	Date of appointment	Date of resignation
A J Carrier	2 November 2020	
T C Clementi		4 December 2020
M R Clements		30 September 2020
M Cronin	1 January 2021	30 April 2021
M P Hudson	28 March 2020	
S Imayoshi	1 August 2020	
Y Koike		1 April 2020
J G Slabbert	19 March 2020	
M J Taffs		9 March 2020
D Thornton		6 May 2020
H S Trilovszky	1 April 2021	
P J Wooldridge		30 September 2020
A P Wright	9 April 2020	2 November 2020
T Yamada	3 September 2020	

Directors' indemnity

Up to 31 March 2020, MS Amlin Limited has made qualifying third party indemnity provisions for the benefit of the directors of the Company. Between 1 April 2020 and the date of this report, these indemnities were provided by MS Amlin Corporate Services Limited. These indemnities were in force during the financial year and up to the date of approval.

Events after the reporting date

There were no significant events between the reporting date and the date these financial statements were approved.

Political contributions

No political contributions were made during the year.

Disclosure of information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) he has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Directors' report for the year ended 31 December 2020

Independent auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG LLP will therefore continue in office.

Approved by the Board and signed by order of the Board.

DocuSigned by:

Phil Green

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P J Green

Chief Financial Officer

20 May 2021

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 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 financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are 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, and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of MS Amlin Underwriting Limited

Opinion

We have audited the financial statements of MS Amlin Underwriting Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 5.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the 'going concern period').

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures at the Company included:

- Enquiring of directors, the audit committee, internal audit, compliance, legal and risk and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee and risk and solvency committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any usual or unexpected relationships.
- Using our own forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Company.

Independent auditor's report to the members of MS Amlin Underwriting Limited (continued)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements. We did not identify any additional fraud risks. We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management, duplicate entries, unbalanced journals, journals posted without a user identity, those posted to accounts linked to an accounting estimate and those posted with unusual descriptions; and
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Company's financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Company's financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the Company's financial statements including financial reporting legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related Company's financial statements items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Company's financial statements, for instance through the imposition of fines or litigation or the loss of the Company's capacity to operate. We identified the following areas as those most likely to have such an effect: regulatory capital, conduct and financial crime recognising the financial and regulated nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Company's financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Company's financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Independent auditor's report to the members of MS Amlin Underwriting Limited (continued)

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

DocuSigned by:

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Timothy Butchart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
Canary Wharf,
E14 5GL
Date: 20-05-2021

**Statement of profit or loss
for the year ended 31 December 2020**

	Notes	2020 £'000	2019 £'000
Turnover	6	20,750	32,408
Administrative expenses		(15,520)	(21,100)
Operating profit		5,230	11,308
Interest receivable and similar income	7	356	1,394
Profit before taxation		5,586	12,702
Tax on profit	12	1,518	(2,238)
Profit after taxation		7,104	10,464

All activities were continuing throughout both the current and preceding year.

Interest receivable and similar income has been consolidated into one line as we now hold the balances on a net basis.

**Statement of comprehensive income
for the year ended 31 December 2020**

All income for the company is disclosed in the statement of profit or loss.


The notes on pages 16 to 26 form part of these financial statements.

**Statement of financial position
as at 31 December 2020**

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments in group and associated undertakings	14	839	839
		<u>839</u>	<u>839</u>
Current assets			
Debtors	15	8,169	604
Financial investments	16	44,594	50,446
Cash at bank and in hand		365	238
		<u>53,128</u>	<u>51,288</u>
Creditors: amounts falling due within one year	17	(28,115)	(32,545)
Net current assets		<u>25,013</u>	<u>18,743</u>
Total assets less current liabilities		<u>25,852</u>	<u>19,582</u>
Creditors: amounts falling due after more than one year	17	(5,333)	(6,167)
Net assets		<u>20,519</u>	<u>13,415</u>
Capital and reserves			
Called up share capital	18	400	400
Other reserves		-	833
Profit and loss account		20,119	12,182
Total equity		<u>20,519</u>	<u>13,415</u>

The accompanying notes on pages 16 to 26 form part of these financial statements.

The financial statements on pages 13 to 15 were approved and authorised for issue by the Board of Directors on 20 May 2021. They were signed on its behalf by:

DocuSigned by:

 E1056182089B438...
 P J Green
 Chief Financial Officer
 MS Amlin Underwriting Limited
 Registered Number: 02323018

Registered office:
 The Leadenhall Building
 122 Leadenhall Street
 London
 EC3V 4AG

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

	Called-up share capital £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
As at 1 January 2020	400	833	12,182	13,415
Transfer to retained earnings	-	(833)	833	-
Profit for the year	-	-	7,104	7,104
Balance as at 31 December 2020	400	-	20,119	20,519

For the year ended 31 December 2019

	Called-up share capital £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
As at 1 January 2019	400	833	43,718	44,951
Profit for the year	-	-	10,464	10,464
Dividends paid	-	-	(42,000)	(42,000)
Balance as at 31 December 2019	400	833	12,182	13,415

The notes on pages 16 to 26 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2020**1 General Information**

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is shown on page 3.

2 Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention modified by the revaluation of financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with FRS 101 Reduced Disclosure Framework and with the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The following FRS 101 exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Disclosures in respect of capital management.
- The requirements of IAS 7 to disclose a Statement of Cash Flows and related notes.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors relating to the effects of new accounting standards which have been issued but which have not been applied in the period.
- The requirements of IAS 24 Related Party Disclosures in respect of the compensation of key management personnel.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more wholly owned members of a group.
- Certain disclosures required by IAS 36 Impairment of Assets in respect of the impairment of indefinite life intangible assets.
- The disclosures required by IFRS 7, Financial instruments: Disclosure.
- Certain disclosures required by IFRS 13 Fair Value Measurement.
- Certain disclosures required by IFRS 15 Revenue from Contracts with Customers.

Except otherwise stated, all figures in these financial statements are presented in thousands of British Pounds Sterling (Sterling) shown as £k and rounded to the nearest £1,000.

Consolidation

The Company is a wholly-owned subsidiary whose immediate parent company is Mitsui Sumitomo Insurance Company, Limited. The Company is exempt from producing consolidated financial statements by virtue of section 401 of the Companies Act 2006 as the ultimate parent company; MS & AD Insurance Group Holdings, Inc. produces publicly available consolidated financial statements that include the consolidated results of the Company and its subsidiaries.

These financial statements are separate financial statements.

Going concern

In evaluating the appropriateness of the use of the going concern assumption in preparing these financial statements, the Board has reviewed the Company's cash flow and regulatory capital projections for a period of at least 12 months from the date of approval of these financial statements, including considering the potential impacts arising from the lasting effects of COVID-19.

The company is solely dependent on the existence of Syndicate 2001 to continue operating, as such a 2021 year of account has been opened by the Syndicate and there is no intention to close the Syndicate or cease its operations, therefore the Syndicate will remain open until at least 31 December 2023.

Notes to the financial statements for the year ended 31 December 2020 (continued)**2 Basis of preparation (continued)****Going concern (continued)**

The Syndicate has financial resources to meet its financial needs and manages a mature portfolio of insurance risk through an experienced and stable team. The directors believe that the Syndicate is well positioned to manage its business risks successfully in the current economic environment. The directors have continued to review the business plans, liquidity and operational resilience of the Syndicate, particularly in light of the risks associated with COVID-19. There is also surplus capital available in MS Amlin Corporate Member Limited (the 'Corporate Member').

The Company's forecasts show that the company should be able to meet Lloyd's capital requirements as a managing agent. The Company is also expected to have sufficient cash on hand to pay expenses as they become due. After performing this assessment, the directors have a reasonable expectation that the Company has access to adequate resources to continue in operation.

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

3 Adoption of new and revised standards

A number of new amendments of published standards and interpretations are effective from 1 January 2020 but they do not have a material effect on the Company's financial statements.

4 Critical accounting judgements and estimation uncertainty

The preparation of the Company's financial statements requires management to consider judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, management have made no significant judgements.

Key sources of estimation uncertainty

The key source of estimation uncertainty for the company is the investment portfolio held in the Toro Prism Trust. These investments are made up of numerous financial instruments which are subject to external factors. The primary source of estimation uncertainty is the volatility of this investment portfolio as the value will fluctuate according to the open markets.

5 Summary of significant accounting policies

The principal accounting policies are summarised below and have been applied consistently throughout the current and prior years, other than where new policies have been adopted.

Turnover

Turnover represents the managing agent's fee charged to Syndicate 2001 and rental income from the Company's investment property. The Company recognises revenue related to the managing agent's fee as the services are provided evenly over the three open years of the year of account to which the fee relates. The managing agent's fee charged to Syndicate 2001 is measured based on the consideration specified in a contract with the customer. The managing agent's fee is received by the Company in the first year of account to which it relates.

Rental income is recognised in the Statement of profit or loss on an accruals basis. The property the rental fee was derived from, was transferred to MS Amlin Corporate Services Limited on 31 October 2019, at book value with the transfer fees charged back to the Company. Thus there is no rental income recognised in 2020.

Investment income

Dividends and any related tax credits are recognised as income on the date that the related listed investments are marked ex-dividend. Other investment income and interest receivable are recognised on an accruals basis.

Notes to the financial statements for the year ended 31 December 2020 (continued)**5 Summary of significant accounting policies (continued)*****Taxation***

Income tax expense represents the sum of the current tax payable and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the substantively enacted tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also charged or credited directly to other comprehensive income or equity respectively.

Dividends

Dividends are recognised in the period in which they are paid.

Investments in group undertakings

Investments in group undertakings are stated at cost less provision for any impairment. The carrying value of investments in group undertakings is reviewed for impairment when events or changes in circumstances indicate that the carrying value may be impaired. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. If the recoverable amount is lower than the carrying value the difference is charged to the statement of profit or loss. Gains and losses on disposal are determined by reference to the carrying amount and are recorded in the statement of profit or loss.

Financial instruments**Recognition**

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability (that is not an item at FVTPL (fair value through profit or loss)) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and measurement

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes to the financial statements for the year ended 31 December 2020 (continued)**5 Summary of significant accounting policies (continued)****Contract liabilities**

Contract liabilities represent the Company's obligation to transfer services to Syndicate 2001 for which the Company has received consideration. The managing agent's fee is all received in the first year but is earned over three years. Contract liabilities represent the amount of the managing agent's fee that has been received by the Company but which is still to be earned in future years.

6 Turnover

	2020 £'000	2019 £'000
Revenue from contracts with customers – managing agent's fee	20,750	30,833
Rental income	-	1,575
	20,750	32,408

All revenue arises from business conducted in the United Kingdom.

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2020 £'000	2019 £'000
Contract liabilities	16,833	21,584

Revenue recognised in the year that was included in the contract liability balance at the beginning of the year was £15.4 million (2019: £24.7 million).

Revenue recognised in the year from performance obligations satisfied (or partially satisfied) in previous periods was £nil (2019: £nil).

7 Interest receivable and similar income/(expense)

	2020 £'000	2019 £'000
Dividend income	-	600
Interest income on cash and cash equivalents	2	7
Income from financial assets at fair value through profit and loss	365	-
Interest income on intercompany loan	-	825
Realised investment (losses)/gains	(481)	44
Unrealised investment gains	470	399
Realised investment loss on assets at fair value through profit or loss	-	(147)
Unrealised investment loss	-	(334)
	356	1,394

Notes to the financial statements for the year ended 31 December 2020 (continued)**8 Profit before taxation**

Profit on ordinary activities before taxation is stated after charging:

	2020 £'000	2019 £'000
Depreciation	-	321
Fees paid to the Company's auditor		
for the audit of the financial statements during the year	18	16
for audit related services	5	5
Impairment on fixed asset investments (note 14)	-	71

Administrative expenses are stated after recharging relevant expenditure to managed syndicates and other group companies. The administrative expenses of the Company include a management charge from MS Amlin Corporate Services Limited of £1.5 million (2019: £2.3 million).

9 Directors' emoluments

Executive directors and certain non-executive directors are also directors or employees of other companies within the Group. However, this is not necessarily a reflection of the amount, if any, charged to the Syndicate by the company employing the director. Only amounts in respect of qualifying services are disclosed in the table below.

The directors of the managing agent received the following proportionate total emoluments during their time in office:

	2020 £'000	2019 £'000
Remuneration in respect of qualifying service	3,554	2,876
Amounts received under cash based long-term incentive schemes	-	172
Employer's contribution to pension schemes	170	203
Termination benefits	2,288	263
	6,012	3,514

Payments were made to two directors (2019: two) in respect of defined benefit pension schemes and to eight directors (2019: seven) in respect of defined contribution schemes. During the year, nine directors were members of long term incentive schemes (2019: four).

Highest paid director

The highest paid director received the following proportionate total emoluments during their time in office:

	2020 £'000	2019 £'000
Remuneration in respect of qualifying service	391	203
Amounts received under cash based long-term incentive schemes	-	68
Employer's contribution to pension schemes	57	26
Termination benefits	623	263
	1,071	560

The highest paid director is (2019: is) a member of a long-term incentive scheme, did (2019: did) receive payments in respect of defined benefit pension scheme and did (2019: did) receive payment in respect of a defined contribution scheme.

Notes to the financial statements for the year ended 31 December 2020 (continued)**10 Employee information**

All MS Amlin employees within the UK are employed by either MS Amlin Corporate Services Limited (MS ACS) or the Corporate Member, therefore there are no employees of the Company (2019: nil). All staff costs are incurred by MS ACS and are recharged to the Company by way of direct allocation or management charge. The employee costs associated with the operation of the Syndicate are recovered accordingly. Employee costs relating to staff incentives are retained by the Company and are not recharged to the Syndicate.

The information provided below represents the employee costs, including profit-related remuneration, underlying the recharge to the Company.

	2020 £'000	2019 £'000
Wages and salaries	58,806	64,362
Other pension costs	7,614	7,557
Social security costs	7,443	10,431
	<u>73,863</u>	<u>82,350</u>
Amounts recharged to Syndicate 2001	(59,881)	(63,504)
Amounts retained by MS Amlin Underwriting Limited	<u>13,982</u>	<u>18,846</u>

11 Pensions

The staff employed by MS ACS and the Corporate Member participate in a number of pension schemes, including defined benefit schemes. Therefore, although the Company has no direct liability for any pension costs, it is exposed indirectly to pension liabilities to the extent that they are reflected in recharges by MS ACS.

On 30 November 2020, the defined benefit scheme employees participated in (the Lloyd's Superannuation Fund) was closed to future accrual. Details of this scheme are provided in the financial statements of the Corporate Member. For all other schemes, details are available in the financial statements of MS Amlin Corporate Services Limited. Copies of both financial statements are available from the Company Secretary at The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AG.

12 Tax on profit**(a) Analysis of the tax charge in the year**

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the year	880	2,398
Adjustment in respect of prior periods	(2,398)	113
Total current tax	<u>(1,518)</u>	<u>2,511</u>
Deferred tax		
Origination of temporary differences	-	(273)
Total deferred tax (note 13)	<u>-</u>	<u>(273)</u>
Tax (credit)/charge on profit	<u>(1,518)</u>	<u>2,238</u>

Notes to the financial statements for the year ended 31 December 2020 (continued)**12 Tax on profit (continued)****(b) Factors affecting tax charge for the year**

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit excluding taxation	5,586	12,703
Profit excluding taxation multiplied by the standard rate of corporation tax	1,061	2,414
Effects of:		
Expenses not deductible for tax purposes and other permanent differences	(181)	(76)
Adjustment in respect of prior periods for current and deferred tax	(178)	113
Adjustment in respect of prior periods for current and deferred tax : Group Relief	(2,220)	-
Non-taxable dividends received and gains on investments	-	(213)
Tax charge on profit	(1,518)	2,238

(c) Factors that may affect future tax charge

In the 3 March 2021 budget it was announced that the UK main rate of corporation tax will increase to 25% from April 2023. This new rate will be applied to the figures in the financial statements when the rate increase is substantially enacted. There is not expected to be a material impact as a result of the rate increase on the financial statements.

(d) Tax recognised in the Statement of changes in equity

The tax charge in 11(a) and 11(b) above relates to the amount that has been recognised in the statement of profit or loss.

13 Deferred tax

	2020 £'000	2019 £'000
At 1 January	-	(273)
Deferred tax charge for the year	-	273
At 31 December	-	-

14 Investments in group and associated undertakings

	2020 £'000	2019 £'000
Book value		
At 1 January	839	910
Impairments	-	(71)
At 31 December	839	839

Impairments in the prior year relate to the investment in Air Centurion Insurance Services, Inc., which had been impaired to £nil. On 17 January 2020 the company's entire shareholding in Air Centurion Insurance Services, Inc. was disposed of.

Notes to the financial statements for the year ended 31 December 2020 (continued)**14 Investments in group undertakings (continued)**

The Company's subsidiaries, associates and joint ventures carrying values are as follows:

	2020	2019
	£	£
MS Amlin Reinsurance Managers, Inc.	833,387	833,387
MS Amlin (India) Private Limited	5,906	5,906
Amlin UK Limited	2	2
Phoenix Underwriters Limited	-	-
	839,295	839,295

The registered office of each entity is:

Entity	Address
Amlin UK Limited	The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AG, United Kingdom
MS Amlin (India) Private Limited	Level 8, Vibgyor Towers, G Block, C62, Bandra Kurla, Complex Mumbai, Mumbai City, Maharashtra, India, 400051
MS Amlin Reinsurance Managers, Inc.	4 th floor, 15 Independence Blvd. Warren, NJ 07059, United States
Phoenix Underwriters Limited	31/F Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong

All subsidiary shareholdings are in the ordinary shares of the respective companies.

MS Amlin Reinsurance Managers Inc., and Amlin UK Limited provide services relating to managing aspects of insurance business now in run-off.

All other subsidiaries have ceased trading and are running down operations prior to liquidation, subject to regulatory and statutory approvals.

The directors believe that the recoverable amount of the investments is higher than the carrying value.

15 Debtors

	2020	2019
	£'000	£'000
Amounts falling due within one year		
Amounts owed by Syndicate 2001 and other group undertakings	7,803	-
Other debtors	366	604
	8,169	604

Amounts owed by other group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements for the year ended 31 December 2020 (continued)**16 Financial investments**

	2020 £'000	2019 £'000
Collective investment schemes	44,594	50,446
Total financial assets	44,594	50,446
Financial assets at fair value through profit or loss		
At 1 January	50,446	15,427
Additions	18,368	100,904
Disposals	(24,575)	(65,955)
Realised investment (losses)/gains	(115)	162
Unrealised investment gains/(losses)	470	(92)
At 31 December	44,594	50,446

The Company's investments in collective investment schemes relate to investments in the Toro Prism Trust which in turn are made up of money market funds and pooled bond funds.

Fair Value Hierarchy

For financial instruments carried at fair value the Company has categorised the measurement basis into a fair value hierarchy as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. An active market is one in which transactions for the assets occur with sufficient frequency and volume to provide readily and regularly available quoted prices.
- Level 2: Inputs to a valuation model other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs to a valuation model for the asset or liability that are not based on observable market data (unobservable inputs) and are significant to the overall fair value measurement. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions it is considered that market participants would use in pricing the asset.

Holdings in collective investment schemes

These represent investments in open-ended investment unit trusts. The fair value of the investment in unlisted open-ended investments is determined using an unadjusted net asset value, which results in a Level 2 valuation. The unadjusted net asset value is used as the units are redeemable at the reportable net asset value at the measurement date.

All of the Company's investments in collective investment schemes are classified as level 2 in the current and prior year

Market risk

Market risk concerns the risks associated with valuation, interest rates, liquidity and counterparty credit.

Valuation risk

The Company's investments are in a money market account, bond funds and listed equities. The Company's earnings are directly impacted by changes in the valuations of the investments held. These valuations vary according to the movements in the underlying markets. The Company's financial assets are marked to market at bid price. Prices are supplied by the custodians, whose pricing processes are covered by their published annual audits. In accordance with their pricing policies, prices are sourced from market recognised pricing vendor sources. These pricing sources use closing trades, or where more appropriate in illiquid markets, pricing models.

Notes to the financial statements for the year ended 31 December 2020 (continued)**16 Financial investments (continued)***Interest rate risk*

Investors' expectations for interest rates will impact bond yields. The value of the Company's bond funds is therefore subject to fluctuation as bond yields rise and fall. If the yield falls the capital value will rise, and vice versa. The sensitivity of the price of a bond is indicated by its duration. The greater the duration of a security the greater its price volatility. Typically the longer the maturity of a bond the greater its duration.

Liquidity risk

The majority of the Company's liabilities are due within one year, as illustrated in note 17. The Company has a highly liquid investment portfolio which is more than adequate to settle its liabilities. Consequently the Company does not consider that it is exposed to any significant liquidity risk.

Credit risk

Credit risk is the risk that the Company becomes exposed to loss if a specific counterparty fails to perform its contractual obligations in a timely manner. Credit risk can also arise from underlying causes that have an impact upon the creditworthiness of counterparties of a particular description or geographical location. The Company is exposed to credit risk in its investment portfolio. However, this risk is managed through the credit research carried out by the investment managers. The investment guidelines are designed to mitigate credit risk by ensuring diversification of the holdings. For each portfolio there are limits to the exposure to single issuers and to the total amount that can be held in each credit quality rating category, as determined by reference to credit rating agencies.

17 Creditors

		2020 £'000	2019 £'000
Amounts falling due within one year	Note		
Amounts owed to parent, other group undertakings and Syndicate 2001		15,735	14,193
UK corporation tax	12	880	2,398
Accruals		-	537
Contract liabilities		11,500	15,417
		28,115	32,545
Amounts falling due after more than one year			
Contract liabilities		5,333	6,167
		5,333	6,167

There are no amounts falling due for payment after more than five years.

18 Called up share capital

	Amount	Value	2020 £	2019 £
Allotted and fully paid				
Ordinary shares	399,900	£1	399,900	399,900
'A' Ordinary shares	100	£1	100	100
			400,000	400,000

Ordinary shareholders are entitled to participate in the profits of the Company and will receive the proceeds of any winding up, but have restricted voting rights. The 'A' shareholders have full voting rights but are not entitled to participate in the profits of the Company and will not receive any proceeds in excess of the nominal share value on winding up.

Both classes of shares are held by MSI.

Notes to the financial statements for the year ended 31 December 2020 (continued)**19 Other reserves**

The other reserves reflect a capital contribution from the Company's former parent MS Amlin Corporate Services Limited matching a capital contribution to MS Amlin Reinsurance Managers, Inc. in respect of past share awards granted to employees as previously disclosed in Amlin plc (later known as MS Amlin Limited) financial statements.

Following the completion of the MSI Group Restructuring as outlined in the Strategic report, including the removal of MS Amlin Limited from the Group, the Board agreed to recognise this reserve as part of retained earnings as a distributable reserve.

20 Related party transactions***Syndicate 2001***

The Company acts as managing agent to Syndicate 2001. Managing agency fees of £20.8 million (2019: £30.8 million) were earned from Syndicate 2001 during the year. The Company has not entered into any transactions during the year on behalf of Syndicate 2001 in which it or any of its executives had a direct or indirect material interest.

21 Guarantees***Obligations under former Group borrowing facilities***

MS Amlin Underwriting Limited was an Obligor under an unsecured multicurrency revolving credit facility of up to £400.0 million (the 'Facility') between MS Amlin Limited and a syndicate of banks led by Lloyds Bank plc which also acted as agent. The Facility was available for general corporate purposes.

The facility was terminated on 23 June 2020.

Guarantee of leases held by an associated company

On 15 May 2020 the Company, alongside its parent MSI (on a joint and several basis), became a guarantor to various lease contracts in relation to its registered office on behalf of MS Amlin Corporate Services Limited.

22 Ultimate parent company

The Company's immediate parent company is Mitsui Sumitomo Insurance Company, Limited ('MSI'), a company incorporated and registered in Japan. The Company's ultimate parent company and controlling party is MS & AD Insurance Group Holdings, Inc, a company incorporated in Japan and is the largest group in which the results of the Company are consolidated.

The smallest group in which the results of the Company will be included in is that of MSI. The consolidated financial statements of MS & AD Insurance Group Holdings, Inc are available to the public and may be obtained from the Company Secretary at The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AG. The ultimate parent company address is Tokyo Sumitomo Twin Building (West Tower), 27-2, Shinkawa 2 Chome, Chuo-ku, Tokyo, Japan. The address of Mitsui Insurance Company, Limited is 9, Kanda-Surugadai 3 Chome, Chiyoda-ku, Tokyo, Japan.

23 Events after the reporting period

There were no significant events between the reporting date and the date these financial statements were approved.