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B.P. Marsh & Partners PLC
11 June 2024

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B.P. Marsh & Partners Plc

("B.P. Marsh", "the Company" or "the Group")

Final Results for the Year to 31 January 2024

B.P. Marsh & Partners Plc (AIM: BPM), the specialist private equity investor in early stage financial services businesses, announces its audited Group Final Results for the year ended 31 January 2024.

Highlights:

- Consolidated profit before tax of £43.6m (31 January 2023: £27.6m)
- Total Shareholder return of £41.7m (22.0%) for the year, comprising growth in Net Asset Value and the dividends paid in February 2023, July 2023 and November 2023
- Net Asset Value has increased by £39.7m to £229.2m (31 January 2023: £189.5m), a 20.9% increase
- Net Asset Value per share increased by 102.8p to 629.0p* (31 January 2023: 526.2p)
- Disposal of Kentro Capital Limited and receipt of £51.5m in proceeds
- Disposal of Paladin Holdings Limited / CBC UK Limited agreed for £42.1m upfront consideration, with post-year end completion
- Three new equity investments were made during the year
- Three further equity investments, including one new investment, made post-year end
- Equity portfolio valuation increase of 35.9% (2023: 19.1%)
- £2.0m in dividends paid in aggregate in year to 31 January 2024 (5.56p/share)
- Since year end, further dividends totaling £4.0m (10.72p /share) paid or declared

Commenting on the results, Brian Marsh OBE, Chairman, said:

"From inception over 30 years ago our investment philosophy has been consistent and continues to deliver strong returns. This latest increase in NAV is testament to our strategy, enabling the Company to continue to invest in high quality management teams as well as rewarding shareholders.

"Looking across our portfolio and the new opportunities we see, I am confident that B.P. Marsh remains the partner of choice for exciting start-up insurance intermediaries, which will drive further growth in the future."

*The fully diluted Net Asset Value per share is 626.9p and includes the full 1,443,147 shares within the Employee Benefit Trust, but also includes £4.1m of loan repayable if the shares, including 236,259 currently unallocated, are sold. The diluted NAV per share also excludes the 1,682,500 options over ordinary shares granted to certain Directors and employees of the group in November 2023 as the performance criteria for NAV growth has not yet been met. (31 January 2023: 516.8p).

Analyst and investor briefing:

There will be an analyst call today at 10:00am BST. Any analysts wishing to join the call should register to receive an invitation by emailing bpmarsh@tavistock.co.uk if they have not already done so.

The Company will also provide a live presentation for all existing and potential shareholders via the Investor Meet Company platform on 12 June 2024 at 09:30am BST.

Questions can be submitted pre-event via your Investor Meet Company dashboard up until 09:00am BST the day

before the meeting or at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet B.P. Marsh & Partners Plc via:
https://www.investormeetcompany.com/bp-marsh-partners-plc/register-investor.

Investors who already follow B.P. Marsh & Partners Plc on the Investor Meet Company platform will automatically be invited.

Note
This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

Notes to Editors:
B.P. Marsh's current portfolio contains fifteen companies. More detailed descriptions of the portfolio can be found at www.bpmarsh.co.uk.

Since formation over 30 years ago, the Company has assembled a management team with considerable experience both in the financial services sector and in managing private equity investments. Many of the directors have worked with each other in previous roles, and all have worked with each other for over ten years.

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Statement by the Chairman

We are pleased to present the audited Consolidated Financial Statements of B.P. Marsh & Partners Plc for the year ended 31 January 2024.

Results

In the past year, the Group has seen significant growth in its Net Asset Value ("NAV") (net of dividends), rising by 20.9% from £189.5m to £229.2m. There has been a £43.6m increase in the equity value of our portfolio, increasing from an adjusted value of £121.8m (taking out acquisition costs and disposals) to £165.4m.

This translates to an undiluted Net Asset Value per share of 629.0p (up from 526.2p in 2023), or 626.9p on a fully diluted basis after factoring in the vesting of shares in the Group's Joint Share Ownership Plan (compared to 516.8p in 2023).

As at 31 January 2024, the Group's cash and treasury balance was £40.5m, marking a £28.4m increase from the previous year. As of the date of this announcement, this balance has risen to £81.2m due to the completion of the sale of Paladin Holdings Limited ("Paladin") to Specialist Risk Group Limited and the completion of the sale of Aspira Corporate Solutions Limited to Titan Wealth Holdings Limited.

Dividend

During the Financial Year under review the Group paid £2.0m in dividends by way of an Interim Dividend of £0.5m in February 2023, a Final Dividend of £0.5m in July 2023 and then a Special Dividend following the receipt of the funds from the sale of Kentro Capital Limited ("Kentro") of £1.0m.

Dividend and share buy-back policy

Following the sales of Kentro and Paladin, the Group announced its Dividend Policy for the Financial Years ending 31 January 2024, 2025 and 2026. This being that each year an aggregate dividend of £4.0m would be paid by way of a £2.0m Interim Dividend and then a £2.0m Final Dividend (subject to shareholder consent at each Annual General Meeting).

Since the year-end, the Company paid a dividend of £1.0m in March 2024 whilst awaiting final receipt of the proceeds of sale from Paladin, and when received paid a further dividend in May 2024 of £1.0m. The Group is recommending a final dividend of 5.36p per share (£2.0m) to be paid on 26 July 2024 to all shareholders on the register on 28 June 2024, with the ex-dividend date being 27 June 2024. This final dividend will be subject to Shareholder Approval at the Group's Annual General Meeting to be held on 23 July 2024.

During the Year under Review, the Company undertook 85 individual Share Buy-Back transactions, purchasing a total of 283,480 shares from the market for a total cost of £1.05m, or a weighted average of 371 pence per share.

On 24 November 2023, the Company cancelled 178,000 Shares it held in treasury. The total Issued Share Capital is now 37,288,000. The Company currently has 55,170 Shares in treasury and therefore total number of shares with voting rights amount to 37,232,830.

The Group remains committed to its Share Buy-Back Policy of being able to purchase shares when able to. Following the strong Share Price Performance the Group has agreed to amend its Share Buy-Back Policy to reduce the discount to Net Asset Value threshold from 20% to 15% and has allocated up to £1m in the aggregate for this purpose.

Disposals

In October 2023 the Group announced that it had completed the sale of its 18.38% stake in Kentro to Brown & Brown, Inc for £51.5m.

Furthermore in November 2023, it was announced that LEBC Holdings Limited had agreed to sell its wholly owned subsidiary, Aspira Corporate Solutions Limited, to Titan Wealth Holdings Limited.

In December 2023, the Company announced the conditional sale of its shareholding in Paladin, the parent company of CBC UK Limited ("CBC").

More information on the above is included in the Chief Investment Officer's Statement.

Portfolio

New Investments
During the Year, the Group's Portfolio has welcomed three new Investments as previously announced: Verve Risk Services Limited ("Verve"), Pantheon Specialty Group Limited ("Pantheon Specialty") and Ai Marine Risk Limited ("Ai Marine").

Verve is a Managing General Agency specialising in the Professional and Management Liability business established by Scott Simmons and Alan Lambert. The Group invested in April 2023.

Pantheon Specialty is a newly established Insurance Broker specialising in complex international placements, founded in June 2023 by Robert Dowman, a long-time associate of the Company.

Ai Marine is a start-up marine hull Managing General Agency founded by Tom Fulford-Smith and Charles D'Alton. The Group invested in December 2023 by way of a newly established Holding Company.

Follow on Investment and funding
The Group has also acquired further holdings in XPT Group LLC by way of subscription for $3.5m of new Preferred Shares in October 2023 in addition to the further $4.0m of net Loan Funding provided in February 2023.

The Company also provided a £4.5m Loan Facility to Pantheon Specialty which was drawn down in full.

Other highlights
Stewart Specialty Risk Underwriting Ltd ("SSRU"), the Toronto-based Managing General Agency secured additional capacity for its Property and Residential Realty programme.

Lilley Plummer Risks Limited ("LPR") the Lloyd's Broker continued to diversify its product offering by making strategic hires, opening up the North American Property and Accident & Health space.

More detailed updates on the Company's Portfolio is included in the Chief Investment Officer's Statement.

Post year-end disposal

On 7 December 2023, the Company announced the conditional sale of its shareholding in Paladin, the parent company of CBC, to Specialist Risk Group Limited. Following the end of the Financial Year under review, on 22 March 2024, all conditions were met and the sale of the Group's holding in Paladin completed, with the Group receiving upfront consideration of £42.1m.

There is also the possibility of further deferred consideration being paid subject to the future performance of CBC and further updates on this will be announced at the time.

Post year-end activity

On 27 March 2024, the Group announced that it had subscribed for a 30% stake in Devonshire UW Limited ("Devonshire"), a newly established Underwriting Agency specialising in transactional risks. The investment was through a mix of equity subscription and provision of loan funding and conducted through a newly established holding company. Devonshire's founders, Natasha Attray, James Dodd, James Fletcher and Charles Turnham are experienced industry practitioners with a collective 30 years of experience.

On 9 May 2024 the Company acquired a further 7% stake in Pantheon Specialty for £7.3m with the ability to acquire a further 5% for nil consideration subject to certain performance criteria of Pantheon Specialty over their 2024 and 2025 Financial Years. More information is provided in the Chief Investment Officer's Statement.

Outlook

The Group's Year under review demonstrates the effective strategy of partnering with strong entrepreneurial management teams to grow successful businesses. The realisations made are testament to how the Group can add value and aid in growth and the new investments made highlight the Group's tried and tested ability to find interesting and well placed new opportunities.

The Group continues to support its partners with additional funding required to deliver on each individual Portfolio Company's goals and provides strategic assistance where possible to maximise growth.

The Group has an exciting pipeline of new business it is exploring, both domestically in the UK and internationally. Bolstered by its strong cash balance, the Group can and will invest in high quality opportunities that it sees, but will continue its rigorous selective approach that has served it so well over the past three decades. A balanced approach is being taken between carefully considering new opportunities and utilising its cash balance.

The Group looks forward to the upcoming year and building on its current growth trajectory.

Brian Marsh, OBE
Chairman
11 June 2024

Chief Investment Officer Statement

Portfolio Update and Outlook

The Group's performance in its financial year to 31 January 2024 is the strongest since the business floated on the AIM Market in 2006.

Over the financial year to 31 January 2024, the valuation of the Group's equity portfolio has increased by 35.9% (year ending 31 January 2023: 19.1%), adjusting for realisations, with NAV increasing by 20.9% (year ending 31 January 2023: 13.8%).

These results demonstrate two key components of B.P. Marsh's long term success, being to:-

- identify, invest and nurture businesses over an extended period of time; and
- assist in Management led sale processes which produce considerable returns for all stakeholders.

Since 1 February 2023, B.P. Marsh completed three realisations:-

- Kentro Capital Limited - sold to Brown and Brown;
- CBC UK Limited - sold to Specialist Risk Group Limited; and
- Aspira Corporate Solutions Limited - sold to Titan Wealth Holdings Limited.

These realisations have further strengthened B.P. Marsh's liquidity, with current cash of £81.2m.

This strong liquidity has allowed B.P. Marsh to undertake three new investments in the financial year to 31 January 2024, being:-

- Verve Risk Services Limited - A Managing General Agency, which specialises in Professional and Management Liability business for the insurance industry;
- Pantheon Specialty Group Limited - A new insurance broker led by Robert Dowman, a recognised leading London Market broker, specialising in complex placements worldwide; and
- Ai Marine Risk Limited - A start-up Managing General Agency, which specialises in Marine Hull insurance and will underwrite a global portfolio of business.

Post year end, the Group invested in Devonshire UW Limited, a Managing General Agency specialising in transactional risks insurance.

These new investments demonstrate that the Group's long term strategic goals remain unaltered, irrespective of recent realisations, being to:-

- Invest in early-stage businesses with strong management teams and significant growth potential;
- Assist our investments, deploying capital to support continued strong growth; and
- Undertake the above alongside an increasing dividend policy. The Group have agreed to pay an annual dividend of £4m in each year for three years. This policy commenced in the Group's current financial year, from 1 February 2024.

These strategic goals produce returns for our shareholders, via a blend of ongoing equity growth of the portfolio and regular returns of capital to shareholders. For the year ended 31 January 2024, the Group produced shareholder returns of £41.7m / 22%.

The Group remains focussed on sourcing new business. B.P. Marsh continues to be approached by entrepreneurial individuals and teams and has an active pipeline of new business opportunities.

The Group continues to see a high number of potential new business opportunities, having received 71 new business enquiries in the year to 31 January 2024, increasing from 51 received enquiries in the preceding year.

The Group currently has 6 potential opportunities under review to consider during the next quarter of 2024, all of which are in the insurance heartland upon which we focus.

Disposals

Paladin Holdings Limited ("Paladin") / CBC UK Limited ("CBC")

In December 2023, the Group agreed to sell its shareholding in Paladin, the parent company of CBC, the London-based Insurance Broker, to Specialist Risk Group Limited, a PE backed insurance broker consolidator.

This transaction completed on 22 March 2024, and delivered £42.1m in cash (net of transaction costs). The Group also received £0.8m in August 2023 on the exercise of an option with CBC and in total this represented a 42% uplift on the Group's latest valuation of the investment as at 31 July 2023.

Additionally, the Group received repayment in full of its £5.9m loans to CBC, resulting in an aggregate cash receipt of £48.8m since July 2023.

The sale represents an Internal Rate of Return of 44% at completion, based on the initial consideration received.

There is also a potential for £17.8m of further cash consideration if CBC achieves defined performance hurdles.

LEBC Holdings Limited ("LEBC") / Aspira Corporate Solutions Limited ("Aspira")

In November 2023, LEBC, in which the Group has a 59.3% shareholding, agreed to sell its wholly owned subsidiary Aspira to Titan Wealth Holdings Limited, subject to regulatory approval.

This transaction completed on 16 April 2024 and has allowed LEBC to meet all its obligations as agreed with the Financial Conduct Authority regarding historical defined benefit pension transfer advice.

Upon completion the Group received full repayment of its £3.3m loans to LEBC.

Further proceeds of the sale will be received over a three year earn-out period. Due to the number of variables involved, the Group have taken a conservative approach to potential proceeds, which has been factored into its valuation of LEBC at 31 January 2024.

Kentro Capital Limited ("Kentro")

In October 2023, the Group confirmed that the sale of its 18.38% stake in Kentro to Brown & Brown, Inc had completed, delivering sale proceeds of £51.5m.

This disposal produced an Internal Rate of Return of 23.66% (inclusive of all income and fees) over a 9 year period.

New Investments

During the Group's financial year to 31 January 2024, three new investments were completed.

The Group is confident that the these new investments will deliver on their goals, producing long term growth for B.P. Marsh and its shareholders.

Ai Marine Risk Limited ("Ai Marine") - London - December 2023

A start-up Managing General Agency, which specialises in Marine Hull insurance and will underwrite a global portfolio of business.

The business was established by its co-founders, Tom Fulford-Smith and Charles D'Alton, who are experienced marine insurance specialists with a track record of delivering growth.

B.P. Marsh subscribed for a 30% shareholding, providing £1.6m of funding via a mixture of equity and a loan facility.

Since inception, Ai Marine has performed in line with the Group's expectations, writing business from day one and having secured Lloyd's coverholder status and additional capacity from Ascot Syndicate.

Date of initial investment: December 2023
Equity stake: 30%
Cost of Equity: £30,000
31 January 2024 valuation: £30,000

Pantheon Specialty Limited ("Pantheon") - London - June 2023
+ 39.6 pence NAV per share uplift in Year

+ 39.6 pence NAV per share uplift in Year

A start-up insurance broker, led by Rob Dowman, a recognised leading London Market broker, specialising in complex placements worldwide, in which the Group subscribed for a 25% stake.

Since investment, Pantheon has performed strongly, reflected in the increase to our valuation of Pantheon.

In the year to 31 January 2024, the Group provided Pantheon with a loan facility of £4.5m, which was fully drawn down. The provision of this loan, alongside cash generated from Pantheon's strong performance to date, allowed the business to make a number of key hires, continuing Pantheon's strategy to build a market leading independent specialist broker across multiple markets.

Post year end, Pantheon announced that it will be appointing Howard Green, the former Chairman of Besso Insurance Group Limited ("Besso"), to the Board, subject to regulatory approval. Howard will also assume the role of Group Chairman.

Howard was one of Besso's founding members and architects and has considerable experience in building and leading international broking businesses.

Additionally, post year end, in May 2024, the Group acquired from Pantheon's founders a further 7% shareholding in Pantheon for an upfront consideration paid of £7.3m.

In Pantheon's current financial year to 31 December 2024, the business is forecast to produce revenue of more than £18m and EBITDA of more than £12m.

Date of initial investment: June 2023
Equity stake: 25%
Cost of Equity: £25 (£7.3m post year end further investment in May 2024)
31 January 2024 valuation: £14.8m

Verve Risk Services Limited ("Verve") - London - April 2023
+ 0.6 pence NAV per share uplift in Year

A Managing General Agency, which specialises in Professional and Management Liability business for the insurance industry in the USA, Canada, Bermuda, Cayman Islands and Barbados.

Verve was established in 2016 by its founders Scott Simmons and Alan Lambert, both of whom have over 20 years' experience underwriting U.S Professional and Management liability insurance.

B.P. Marsh subscribed for a 35% shareholding through the provision of £1.0m of funding via a mixture of equity and a loan facility, which was drawn down in full upon completion as part of a management buy-out.

Since investment, Verve has performed well, exceeding their budget for 2023, and showing strong year on year growth into 2024.

Date of initial investment: April 2023
Equity stake: 35%
Cost of Equity: £430,791
31 January 2024 valuation: £643,000

New Investments - Post Year End Event

Devonshire UW Limited ("Devonshire") - London - March 2024

A Managing General Agency specialising in transactional risks insurance, including Warranty & Indemnity, Specific Tax, and Legal Contingency Insurance.

B.P. Marsh subscribed for a 30% shareholding through the provision of £1.9m of funding via a mixture of equity and a loan facility.

The business has been founded by four experienced industry practitioners, Natasha Attray, James Dodd, James Fletcher and Charles Turnham, who have a collective 30 years of transactional liability underwriting experience.

Devonshire is backed by Lloyd's capacity with support from a strong panel of A-rated insurance capacity providers. The business will provide risk solutions for large M&A transactions for brokers, corporates, private equity firms, professional advisers and other specialist investors.

Devonshire is London-based and has the ability to underwrite transactions in the UK, Europe, Middle East, Africa, Asia, South America, Central America and Australasia.

Date of initial investment: March 2024
Equity stake: 30%
Cost of Equity: £300,000
31 January 2024 valuation: N/A

Follow-on Investments and Funding

<u>XPT Group Limited ("XPT") - USA</u>
<u>+ 3.9 pence NAV per share uplift in Year</u>

The Group's investment in XPT, the specialty lines insurance distribution company, continues to perform well, with the business on track to produce Gross Written Premium of close to US$900m in its financial year to 31 December 2024 (31 December 2023: US$675m).

The Group expects XPT to continue its strong growth, both via its acquisition strategy, individual and team hires and underlying organic growth.

In October 2023, the Group provided a further $3.5m (£2.9m) of funding to XPT, subscribing to a new issue of Preferred shares. The Group also provided a $6m Term Loan in February 2023 of which $2m has been repaid.

This further funding, alongside continued support from bank financing, has allowed XPT to continue to grow, both organically and via acquisitions.

As has been previously reported, XPT has made 16 business acquisitions since the Group invested in 2017. XPT now has offices in 22 locations across 13 States, acting for insureds across the USA.

XPT's most recent acquisition was in Flood Risk Solutions, a Managing General Agency specialising in insurance solutions for flood risks, based in Florida. Flood Risk provides insurance for a number of flood risks, including primary Flood insurance, Excess Flood insurance, parametric solutions and custom flood risk transfer products.

This transaction brings a number of synergies that can benefit both Flood Risk and the wider XPT business, including carrier relationships, access to new programs and products and distribution opportunities.

This is the third acquisition made by XPT in over a year, the other two being Cal Inspection Bureau, a premier underwriting survey and audit business, and Craig and Leicht, a Texas-based wholesale agency. Both businesses have integrated successfully into XPT and have performed well since their acquisition.

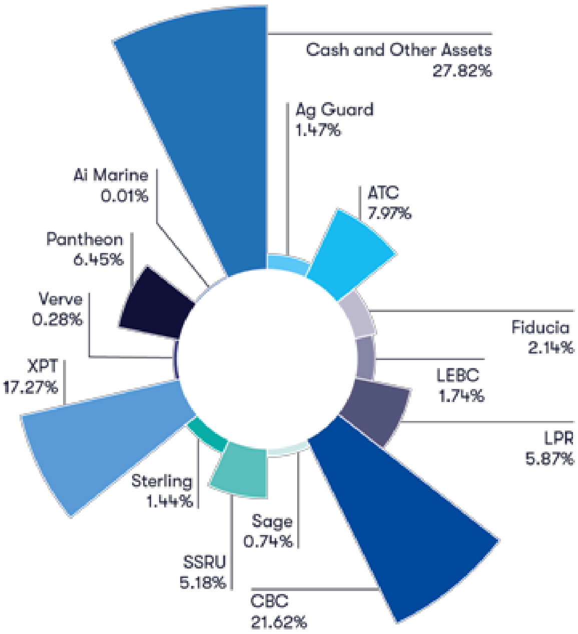
Over the year, XPT have also made a number of individual and team hires, which are contributing to XPT's current strong performance. This includes an experienced binding & brokerage team based out of Philadelphia, and a number of new property and casualty brokers, to bring about substantial growth across these business lines, including (but not limited to), commercial property, contractors, workers compensation, farm & ranches and the hospitality industry.

Date of initial investment: June 2017
Equity stake: 29.10%
Cost of Equity: £13,042,085
31 January 2024 valuation: £39,572,000

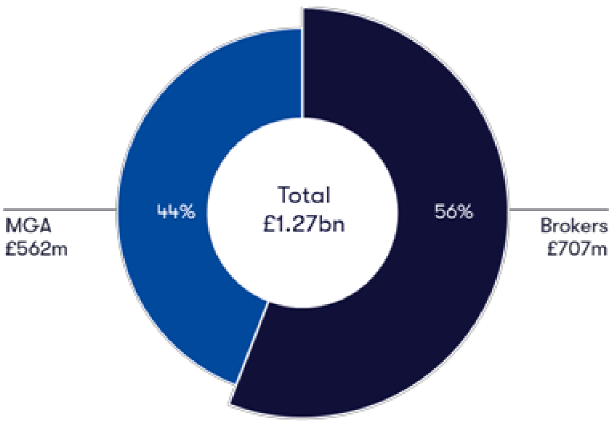
Portfolio Update & Activity

NAV breakdown by portfolio company

The composition of B. P. Marsh's underlying portfolio companies is shown on the chart below:



The Group's current investments are in the Insurance Intermediary sector. Our current insurance investments are budgeting to produce in aggregate over £1.27bn of insurance premium during 2024, and a breakdown between brokers and MGAs is shown below:



Insurance Brokers

The Group's Broking investments are budgeting to place over £707m of GWP, producing over £73m of brokerage income in 2024, accessing specialty markets around the world.

Brokers	Date of Investment	Jurisdiction	Equity % at 31 January 2024	Cost of Investment	Valuation at 31 January 2024	% of NAV 31 Jan 2024	Internal rate of return to 31 January 2024	Multiple on Invested Capital
XPT	June 2017	USA	29.10%	£13,042,085	£39,572,000	17.3%	29.74%	3.03x
CBC	February 2017	UK	43.75%	£3,500	£49,549,000	21.6%	48.22%	(N/A – over 1000x)
LPR	October 2019	UK	30.00%	£308,242	£13,446,000	5.9%	92.29%	43.62x
Pantheon	June 2023	UK	25.00%	£25	£14,775,000	6.4%	(N/A – over 1000x)	(N/A – over 1000x)
ARB	April 2016	Singapore	25.00%	£1,551,084	£0	0%	-20.71%	0x

Underwriting Agencies / Managing General Agents ("MGAs")

The Group's MGAs are budgeting to place over £562m of GWP, producing over £55m of commission income in 2024, across many specialist product areas, on behalf of more than 50 insurers.

MGAs	Date of Investment	Jurisdiction	Equity % at 31 January 2024	Cost of Investment	Valuation at 31 January 2024	% of NAV at 31 January 2024	Internal rate of return to 31 January 2024	Multiple on Invested Capital

ATC	July 2018	Australia	25.56%	£3,345,229	£18,261,000	8.0%	35.04%	5.46x
SSRU	January 2017	Canada	30.00%	£19	£11,870,000	5.2%	94.10%	(N/A – over 1000x)
Ag Guard	July 2019	Australia	41.00%	£1,465,071	£3,361,000	1.5%	26.34%	2.29x
Fiducia	November 2016	UK	35.18%	£227,909	£4,902,000	2.1%	23.87%	21.51x
Sterling	June 2013	Australia	19.70%	£1,945,411	£3,297,000	1.4%	9.10%	1.69x
Sage	June 2020	USA	30.00%	£202,758	£1,689,000	0.7%	84.23%	8.33x
Verve	April 2023	UK	35.00%	£430,791	£643,000	0.3%	44.24%	1.49x
AI Marine	December 2023	UK	30.00%	£30,000	£30,000	0.01%	285.18%	1.00x
Devonshire	March 2024	UK	N/A	£300,000	N/A	N/A	N/A	N/A

Other Portfolio Company Highlights

Lilley Plummer Risks Limited ("LPR") - London
+ 17.3 pence NAV per share uplift in Year

LPR continues to perform well, due to the growth of its underlying marine portfolio and diversification into different classes of business.

Throughout the Group's financial year, LPR made several strategic hires to support growth. These hires have allowed LPR to enter the North American property and Accident & Health space, while also bolstering its existing marine broking operations.

Aligned with this vision, LPR actively explores new opportunities in the market through team hires and acquisitions as part of its commitment to achieving accelerated growth. This expansion is not confined to its core marine offerings but extends into new diverse sectors of the insurance industry.

In LPR's current financial year to 31 December 2024, the business is forecast to produce revenue of c.£12m and EBITDA of approaching£7m. As at this stage of the year, LPR are on course to achieve this budget.

Date of initial investment: October 2019
Equity stake: 30%
Cost of Equity: £308,242
31 January 2024 valuation: £13,446,000

ATC Insurance Solutions PTY Limited ("ATC") - Australia
+ 3.2 pence NAV per share uplift in Year

ATC continues to perform strongly across its many product offerings in accident & health, motor and sports insurance, amongst others.

In their year ending 30 June 2023, ATC produced EBITDA of AU$11m, an increase of AU$ 1.8m over their 2022 year. In their current financial year to 30 June 2024, ATC are on track to outperform their budget, which already showed strong year on year growth.

ATC is run by a longstanding and experienced management team led by Chairman and Founder, Chris Anderson, alongside co-founder and Chief Commercial Officer Shane Sheppard.

Date of initial investment: July 2018
Equity stake: 25.6%
Cost of Equity: £6,476,595
31 January 2024 valuation: £18,261,000

Stewart Specialty Risk Underwriting Ltd ("SSRU") - Canada
+ 2.3 pence NAV per share uplift in Year

SSRU continues to deliver specialist insurance products to a wide array of clients in the Construction, Manufacturing, Onshore Energy, Public Entity and Transportation sectors.

Since its inception in 2017, SSRU has demonstrated robust growth and anticipates surpassing CA$ 100m in Gross Written Premium in 2024.

This performance has been brought about by continuous organic growth across SSRU's highly profitable business lines. Growth has been further driven by expanded line sizes made possible through strengthened relationships with both existing and new capacity partners.

Recently, SSRU entered into two new carrier partnerships, being:-

- Sompo Japan Insurance (Canada Branch), introducing increased capacity within their Commercial Property and Residential Realty product offerings.

- Millennium Insurance Corporation, introducing increased capacity within their Commercial Property for risks in the Energy, Mining and Manufacturing sectors.

Securing this new capacity will enable SSRU to continue on its impressive growth trajectory seen since original investment.

Date of initial investment: January 2017
Equity stake: 30%
Cost of Equity: £19
31 January 2024 valuation: £11,870,000

Sage Program Underwriters, Inc ("SAGE") - USA
+ 0.2 pence NAV per share uplift in Year

SAGE continues to build traction in its space of expertise, being Worker's Compensation insurance to the ground delivery and field sport sectors.

SAGE's performance is strong in 2024, with substantial year on year growth in terms of Gross Written Premium, Revenue and EBITDA.

This growth has been brought about organically, but SAGE is also actively exploring hiring new individuals to expand its product lines into new affiliated product lines.

Accordingly, SAGE has recently secured the ability to write General Liability insurance for the scaffolding and crane industries, amongst other specialty contractor sectors. This programme will focus on the medium sized section of the market.

As part of this new product offering, SAGE has hired an industry veteran with decades of experience in this sector.

The Group look forward to working with SAGE as it continues to grow and expand its product offering.

Date of initial investment: June 2020
Equity stake: 30%
Cost of Equity: £202,758
31 January 2024 valuation: £1,689,000

Market Commentary

The ongoing consolidation trends in the Insurance Market show no indication of abating in 2024. This activity remains a catalyst for substantial prospects for the Group, both in terms of new investments and activity within our core portfolio.

Both the Group and its portfolio companies continue to be approached by entrepreneurial individuals and teams who do not wish to be part of this consolidation process.

The Group continues to monitor trends in the insurance market, specifically when it comes to premium rates.

The global property and casualty market rates continue to increase, although the pace is slowing. Global property insurance rates increased 3% (6% in Q4 2023) with global casualty rates increased by 3% (3% in Q4 2023). Global commercial insurance rates rose 1%, compared to a 2% increase in the prior quarter. This is the 26th consecutive quarter of rate increases, however, down from the peak of 22% in the fourth quarter of 2020.

Generally, the slowing of rate increases is due to overall market capacity increasing, via new market entrants and existing carriers increasing their exposure. Whilst rate increases remained highest across property lines, business with assets in CAT (catastrophe) zones, have begun to see lower increases in rates.

Overall, whilst the market is softening, the Group does not see the market returning to the pricing of the last soft market in the short to medium term. Given the portfolio predominantly operates in specialist risk areas, rates tend to be less volatile and therefore we remain confident that our portfolio is suitably prepared to weather a softening market.

Notwithstanding the current market trends, the Group and its portfolio are well positioned to take advantage of the opportunities this environment presents, with strong liquidity and a positive track record, to help support our portfolio and attract new talent.

Daniel Topping
Chief Investment Officer
11 June 2024

Finance Director Statement

Financial performance summary

The table below summarises the Group's financial results and key performance indicators for the year to 31 January 2024:

	Year to/as at 31st January 2024	Year to/as at 31st January 2023
Net asset value	£229.2m	£189.5m
Net asset value per share - undiluted	629.0p	526.2p
Net asset value per share - diluted	626.9p	516.8p
Profit on ordinary activities before tax	£43.6m	£27.6m
Dividend per share paid	5.56p	2.78p
Total shareholder return (including dividends)	£41.7m	£23.9m
Total shareholder return on opening shareholders' funds	22.0%	14.4%
Net cash (used by) / from operating activities (net of equity investments, realisations and loans)	£(1.2)m	£0.5m
Equity cash investment for the year	£3.4m	£2.9m
Realisations (net of disposal costs)	£53.1m	£8.2m
Loans issued in the year	£20.3m	£3.0m
Loans repaid by investee companies in the year	£2.7m	£2.0m
Cash and treasury funds at end of year	£40.5m	£12.1m
Borrowing / Gearing	£Nil	£Nil

The Group had a strong year, delivering an increase in the NAV of £39.7m (2023: £22.9m), or +20.9% (2023: +13.8%). At 31 January 2024 the NAV of the Group was £229.2m which equates to 629.0p per share undiluted (2023: £189.5m, or 526.2p per share). On a diluted basis this equates to 626.9p per share (2023: 516.8p per share).

The NAV of £229.2m at 31 January 2024 represents a total increase in NAV of £200.0m since the Group was originally formed in 1990 having adjusted for the original capital investment of £2.5m, the £10.1m net proceeds raised on AIM in 2006 and the £16.6m of net proceeds raised through the Share Placing and Open Offer in July 2018. The Directors note that the Group has delivered an annual compound growth rate of 9.4% in Group NAV after running costs, realisations, losses, distributions and corporation tax since flotation and 12.1% since 1990.

Investment performance

The Group's equity portfolio movement during the year was as follows:

31st January 2023 valuation	Acquisitions at cost	Disposal proceeds	Adjusted 31st January 2023 valuation	31st January 2024 valuation
£171.5m	£3.4m	£(53.1)m	£121.8m	£165.4m

This equates to an increase in the portfolio valuation of 35.9% (2023: 19.1%).

The Group made realisations totalling £53.1m, including £51.5m from the sale of Kentro, £0.8m from Paladin on the exercise of an option and £0.7m on the redemption of preference shares in Lilley Plummer Holdings Limited ("LPH").

The Group invested a total of £3.4m in equity in the portfolio during the year (2023: £2.9m):

- £2.9m in XPT to fund further acquisitions
- £0.5m into three new investments: Pantheon, Verve and Ai Marine

Liquidity and loan portfolio

The Group's loan portfolio balance increased from £11.5m as at 31 January 2023 to £28.9m (+£17.4m) at 31 January 2024. The key movements were:

- £13.8m was provided to the investment portfolio, including £4.9m to XPT, £4.5m to Pantheon, and £2.8m to Paladin

- £6.0m was provided to Alchemy Underwriting Limited in connection with the Group's agreed sale of its investment in Paladin

- £0.5m was provided to Brown & Brown (Europe) Holdco Limited as part of the Group's sale of its investment in Kentro

- £2.7m of loans were repaid during the year, including £1.6m from XPT, £0.7m from Fiducia and £0.3m from LPH

Cash and treasury funds at 31 January 2024 were £40.5m (2023: £12.1m).

Since the year-end the Group completed the sale of Paladin and received £42.1m from equity disposal and £5.9m in loan repayments.

The Group has also invested a further £9.2m in follow-on funding into the portfolio including £7.3m in Pantheon and £0.8m in XPT, plus £0.3m in equity in Devonshire, a new investment.

Other significant cash movements include receipt of £5.0m in further loan repayments, including £3.3m from LEBC who have now repaid their loans in full, and £1.5m from Pantheon and £1.0m in new loans granted to the existing portfolio. The loan portfolio balance is currently £19.0m.

In addition, £2.0m has been distributed in dividends. The current cash and treasury balance is £81.2m and the Group is debt free. Treasury funds are all in one month or less deposit accounts.

Operating income

Net gains from investments were £43.7m (2023: £27.5m), a 58.9% increase over the previous year, which all related to the revaluation of the investment portfolio at 31 January 2024 (2023: £27.3m related to revaluation of the investment portfolio). The Kentro sale resulted in a £36.4m realised gain on disposal, which has been reflected within a movement from the fair value reserve to retained earnings within the consolidated statement of financial position.

position.

Overall, income from investments increased by £2.6m, or 53% to £7.5m (2023: £4.9m). The increase was primarily due to receiving significantly greater loan interest income from the enlarged loan portfolio, along with increased fees re-charged in relation to professional fees for new investments.

Operating expenses

Operating expenses increased by £3.0m, or 61% during the year to £7.9m (2023: £4.9m) predominantly as a result of professional fees incurred for new investment activity, general cost inflation and one-off bonuses in respect of the successful sale of Kentro.

Profit on ordinary activities

The consolidated profit on ordinary activities before taxation increased by £16.0m, or 58% to £43.6m (2023: up £8.2m to £27.6m). The consolidated profit on ordinary activities after taxation increased by £18.7m, or 78.6% to £42.5m (2023: up £6.4m to £23.8m).

The Group's strategy is to cover expenses from the portfolio yield. On an underlying basis, including treasury returns and realised gains in cash, but excluding unrealised investment activity (unrealised gains on equity and provision against loans receivable from investee companies), this was achieved with a pre-tax profit of £0.1m for the year (2023: £0.3m).

Undiluted / diluted NAV per share

The NAV per share at 31 January 2024 is 629.0p (2023: 526.2p). Previously, 1,461,302 shares being held within an Employee Benefit Trust as part of a long-term share incentive plan for certain directors and employees of the Group were excluded as they did not have voting or dividend rights. However, in October 2023 voting and dividend rights for 1,206,888 shares were granted. These shares are now included within the undiluted NAV per share calculation, along with £3.4m of loan due to be repaid by the Trust in respect of the original transfer of shares that cannot currently be consolidated within the accounts, but is repayable should these shares be sold.

The diluted NAV per share at 31 January 2024 is 626.9p (2023: 516.8p). This includes the full 1,443,147 shares within the Employee Benefit Trust, but also includes £4.1m of loan repayable if the shares, including 236,259 currently unallocated, are sold.

The diluted NAV per share excludes the 1,682,500 options over ordinary shares granted to certain Directors and employees of the Group in November 2023 as the performance criteria for NAV growth has not yet been met. This is forecast to be 1.1% dilutive from NAV of 643p/share and 4.5% dilutive from NAV of 649p/share.

Jonathan Newman
Group Finance Director
11 June 2024

Forward-looking statements:
Certain statements in this announcement are forward-looking statements. In some cases, these forward looking statements can be identified by the use of forward looking terminology including the terms "anticipate", "believe", "intend", "estimate", "expect", "may", "will", "seek", "continue", "aim", "target", "projected", "plan", "goal", "achieve" and words of similar meaning or in each case, their negative, or other variations or comparable terminology. Forward-looking statements are based on current expectations and assumptions and are subject to a number of known and unknown risks, uncertainties and other important factors that could cause results or events to differ materially from what is expressed or implied by those statements. Many factors may cause actual results, performance or achievements of B.P. Marsh to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of B.P. Marsh to differ materially from the expectations of B.P. Marsh, include, among other things, general business and economic conditions globally, industry trends, competition, changes in government and changes in regulation and policy, changes in its business strategy, political and economic uncertainty and other factors. As such, undue reliance should not be placed on forward-looking statements. Any

forward-looking statement is based on information available to B.P. Marsh as of the date of the statement. All written or oral forward-looking statements attributable to B.P. Marsh are qualified by this caution. Other than in accordance with legal and regulatory obligations, B.P. Marsh undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Nothing in this announcement should be regarded as a profit forecast.

Investments

As at 31 January 2024 the Group's equity interests were as follows:

Ai Marine Risk Limited
(www.aimarinerisk.com)
Ai Marine is a start-up MGA with a focus on marine hull insurance and with a strong focus on the UK & Europe, Middle East and Asia Pacific regions.
Date of investment: December 2023
Equity stake: 30.0%
31 January 2024 valuation: £30,000

Ag Guard PTY Limited
*(*www.agguard.com.au*)*
Ag Guard is a Managing General Agency, which provides insurance to the agricultural sector, based in Sydney, Australia. The Group holds its investment through Ag Guard's Parent Company, Agri Services Company PTY Limited.
Date of investment: July 2019
Equity stake: 41.0%
31 January 2024 valuation: £3,361,000

Asia Reinsurance Brokers (Pte) Limited
(www.arbrokers.asia)
ARB is an independent specialist reinsurance and insurance risk solutions provider headquartered in Singapore.
Date of investment: April 2016
Equity stake: 25.0%
31 January 2024 valuation: £0

ATC Insurance Solutions PTY Limited
(www.atcis.com.au)
ATC is a Managing General Agency and Lloyd's Coverholder, specialising in accident & health, construction & engineering, trade pack, motor and sports insurance headquartered in Melbourne, Australia.
Date of investment: July 2018
Equity stake: 25.6%
31 January 2024 valuation: £18,261,000

CBC UK Limited
(www.cbcinsurance.co.uk)
CBC is a Retail and Wholesale Lloyd's Insurance Broker, offering a wide range of services to commercial and personal clients as well as broking solutions to intermediaries. The Group holds its investment in CBC through CBC's parent company, Paladin Holdings Limited.
Date of investment: February 2017
Equity stake: 43.8%
31 January 2024 valuation: £49,549,000

Criterion Underwriting (Pte) Limited
Criterion was established to provide specialist insurance products to a variety of clients in the cyber, financial lines and marine sectors in Far East Asia, based in Singapore.
Date of investment: July 2018
Equity stake: 29.4%
31 January 2024 valuation: £0

The Fiducia MGA Company Limited
(www.fiduciamga.co.uk)

Fiducia is a UK marine cargo Underwriting Agency and Lloyd's Coverholder which specialises in the provision of insurance solutions across a number of marine risks including, cargo, transit liability, engineering and terrorism Insurance.
Date of investment: November 2016
Equity stake: 35.2%
31 January 2024 valuation: £4,902,000

LEBC Holdings Limited
LEBC is a holding company that, until April 2024, owned two businesses that were national Independent Financial Advisory companies providing services to individuals, corporates and partnerships, principally in employee benefits, investment and life product areas.
Date of investment: April 2007
Equity stake: 59.3%
31 January 2024 valuation: £3,987,000

Lilley Plummer Risks Limited
(www.lprisks.co.uk)
Lilley Plummer Risks is an independent Lloyd's broker that provides a wide array of offerings in several diverse and niche areas.
Date of investment: October 2019
Equity stake: 30.0%
31 January 2024 valuation: £13,446,000

New Denison Limited
Date of investment: June 2023
Equity stake:40%
31 January 2024 valuation: £0

Pantheon Specialty Group Limited
(www.pantheonspecialty.com)
Pantheon is a holding company established in partnership with Robert Dowman. Pantheon acquired 100% of the share capital of the Lloyd's broker Denison and Partners Limited. With the support of B.P Marsh, Robert Dowman is looking to build a market leading independent specialist broker, across multiple markets.
Date of investment: June 2023
Equity stake: 25.0%
31 January 2024 valuation: £14,775,000

Sage Program Underwriters, Inc.
(www.sageuw.com)
Sage provides specialist insurance products to niche industries, initially in the inland delivery and field sport sectors based in Bend, Oregon.
Date of Investment: June 2020
Equity Stake: 30.0%
31 January 2024 valuation: £1,689,000

Stewart Specialty Risk Underwriting Ltd
(www.ssru.ca)
SSRU is a Managing General Agency, providing insurance solutions to a wide array of clients in the construction, manufacturing, onshore energy, public entity and transportation sectors based in Toronto, Canada.
Date of investment: January 2017
Equity stake: 30.0%
31 January 2024 valuation: £11,870,000

Sterling Insurance PTY Limited
(www.sterlinginsurance.com.au)
Sterling is a specialist Underwriting Agency offering a range of insurance solutions within the Liability sector, specialising in niche markets including mining, construction and demolition based in Sydney Australia. The Group holds its investment in Sterling via a joint venture with Besso Insurance Group Limited, Neutral Bay Investments Limited.
Date of investment: June 2013

Date of investment: June 2015
Equity stake: 19.7%
31 January 2024 valuation: £3,297,000

Verve Risk Services Limited
(www.ververisk.com)
Verve is a London based Managing General Agency specialising in Professional and Management Liability for the insurance industry. Verve operates in the USA, Canada, Bermuda, Cayman Islands and Barbados.
Date of investment: April 2023
Equity stake: 35.0%
31 January 2024 valuation: £643,000

XPT Group LLC
(www.xptspecialty.com)
XPT is a wholesale insurance broking and Underwriting Agency platform across the U.S. Specialty Insurance Sector operating from many locations in the United States of America.
Date of investment: June 2017
Equity stake: 29.1%
31 January 2024 valuation: £39,572,000

These investments have been valued in accordance with the accounting policies on Investments set out in note 1 of the Consolidated Financial Statements.

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST JANUARY 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
GAINS ON INVESTMENTS	1				
Realised (losses) / gains on disposal of equity investments (net of costs)	14	(37)		155	
Release of provision made against equity investments and loans	16	24		30	
Unrealised gains on equity investment revaluation	12	43,711		27,275	
			43,698		27,460
INCOME					
Dividends	1,25	3,504		3,119	
Income from loans and receivables	1,25	1,861		749	
Fees receivable	1,25	2,103		1,051	
			7,468		4,919
OPERATING INCOME	2		51,166		32,379
Operating expenses		(7,881)		(4,889)	
	2		(7,881)		(4,889)
OPERATING PROFIT			43,285		27,490
Financial income	2,4	721		130	
Financial expenses	2,3	(55)		(88)	
Exchange movements	2,8	(333)		58	
			333		100
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8		43,618		27,590
Income taxes	9		(1,089)		(3,747)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION ATTRIBUTABLE TO EQUITY HOLDERS	20		£42,529		£23,843
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	20		£42,529		£23,843

THE YEAR	20	£42,529	£23,843
Earnings per share - basic (pence)	10	114.7p	66.2p
Earnings per share - diluted (pence)	10	114.0p	63.6p

The result for the year is wholly attributable to continuing activities.

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

31ST JANUARY 2024

(Company Number: 05674962)

		Group		Company	
	Notes	2024	2023	2024	2023
		£'000	£'000	£'000	£'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	65	79	-	-
Right-of-use asset	21	507	671	-	-
Investments - equity portfolio	12	115,833	171,461	190,860	158,333
Investments - subsidiaries	12	-	-	38,383	31,274
Loans and receivables	15	16,197	8,120	2,948	4,106
		132,602	180,331	232,191	193,713
CURRENT ASSETS					
Investments - assets held for sale	12	49,549	-	-	-
Investments - treasury portfolio	13	78	591	-	-
Trade and other receivables	16	15,633	5,283	1,157	-
Cash and cash equivalents		40,435	11,564	7	8
TOTAL CURRENT ASSETS		105,695	17,438	1,164	8
TOTAL ASSETS		238,297	197,769	233,355	193,721
LIABILITIES					
NON-CURRENT LIABILITIES					
Lease liabilities	21	(416)	(596)	-	-
Deferred tax liabilities	17	(6,687)	(5,631)	-	-
TOTAL NON-CURRENT LIABILITIES		(7,103)	(6,227)	-	-
CURRENT LIABILITIES					
Trade and other payables		(1,843)	(1,830)	-	-
Lease liabilities	21	(180)	(175)	-	-
TOTAL CURRENT LIABILITIES	18	(2,023)	(2,005)	-	-
TOTAL LIABILITIES		(9,126)	(8,232)	-	-
NET ASSETS		£229,171	£189,537	£233,355	£193,721
CAPITAL AND RESERVES - EQUITY					
Called up share capital	19	3,729	3,747	3,729	3,747
Share premium account	20	29,345	29,350	29,345	29,350
Fair value reserve	20	112,768	106,509	188,717	156,190
Reverse acquisition reserve	20	393	393	-	-
Capital redemption reserve	20	25	7	25	7
Capital contribution reserve	20	72	72	-	-
Retained earnings	20	82,839	49,459	11,539	4,427
SHAREHOLDERS' FUNDS - EQUITY	20	£229,171	£189,537	£233,355	£193,721
Net asset value per share - undiluted (pence)	10	629.0p	526.2p	627.1p	517.1p
Net asset value per share - diluted (pence)	10	626.9p	516.8p	627.1p	517.1p

The Financial Statements were approved by the Board of Directors and authorised for issue on 10th June 2024 and signed on its behalf by:

B.P. Marsh & J.S. Newman

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST JANUARY 2024

	Notes	2024 £'000	2023 £'000
Cash from operating activities			
Income from loans to investee companies		1,861	749
Dividends		3,504	3,119
Fees received		2,103	1,051
Operating expenses		(7,881)	(4,889)
Net corporation tax payable	9	(33)	(14)
Purchase of equity investments	12	(3,364)	(2,941)
Net proceeds from sale of equity investments	12,14	53,117	8,259
Net loan payments to investee companies		(17,630)	(1,039)
Adjustment for non-cash share incentive and share option plans		186	104
Exchange movement		(53)	(36)
Increase in receivables		(1,052)	(35)
Increase in payables		13	160
Depreciation and amortisation	11,21	191	193
Net cash from operating activities		30,962	4,681
Net cash from / (used by) investing activities			
Purchase of property, plant and equipment	11	(13)	(11)
Purchase of treasury investments net of cash and cash equivalents		-	(8,371)
Net proceeds from the sale of treasury investments		1,130	7,867
Net cash from / (used by) investing activities		1,117	(515)
Net cash used by financing activities			
Financial income	4	87	2
Financial expenses	3	(39)	(47)
Net decrease in lease liabilities	21	(175)	(168)
Dividends paid	7	(2,028)	(1,001)
Payments made to repurchase company shares	10	(1,053)	(16)
Net cash used by financing activities		(3,208)	(1,230)
Change in cash and cash equivalents		28,871	2,936
Cash and cash equivalents at beginning of the year		11,564	8,628
Cash and cash equivalents at end of year		£40,435	£11,564

All differences between the amounts stated in the Consolidated Statement of Cash Flows and the Consolidated Statement of Comprehensive Income are attributed to non-cash movements.

PARENT COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST JANUARY 2024

	Notes	2024 £'000	2023 £'000
Cash from operating activities			
Dividends received from subsidiary undertakings		10,003	-
Net cash from operating activities		10,003	-
Net cash used by financing activities			
(Increase) / decrease in amounts owed by group undertakings		(7,109)	913
Adjustment relating to non-cash items		186	104
Dividends paid	7	(2,028)	(1,001)
Payments made to repurchase company shares	10	(1,053)	(16)
Net cash used by financing activities		(10,004)	-
Change in cash and cash equivalents		(1)	-
Cash and cash equivalents at beginning of the year		8	8
Cash and cash equivalents at end of year		£ 7	£ 8

CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST JANUARY 2024

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Opening total equity	189,537	166,607	193,721	170,791
Comprehensive income for the year	42,529	23,843	42,529	23,843
Dividends paid	(2,028)	(1,001)	(2,028)	(1,001)
Repurchase of company shares	(1,053)	(16)	(1,053)	(16)
Share incentive and share option plan	186	104	186	104
TOTAL EQUITY	£229,171	£189,537	£233,355	£193,721

Refer to Note 20 for detailed analysis of the changes in the components of equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JANUARY 2024

1. ACCOUNTING POLICIES

B.P. Marsh & Partners Plc is a public limited company incorporated in England and Wales under the Companies Act 2006 and domiciled in the United Kingdom. The address of the Company's registered office is 5th Floor, 4 Matthew Parker Street, London SW1H 9NP. The consolidated financial statements for the year ended 31st January 2024 comprise the financial statements of the Parent Company and its consolidated subsidiaries (collectively "the Group").

Basis of preparation of financial statements

These consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards, and in accordance with the Companies Act 2006.

The consolidated financial statements are presented in sterling, the functional currency of the Group, rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The preparation of financial statements in conformity with UK-adopted international accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of judgements about the carrying amounts of assets and liabilities. Actual results may differ from those amounts.

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10: Consolidated Financial Statements ("IFRS 10") are required to account for their investments in controlled entities, as well as investments in associates at fair value through profit or loss. Subsidiaries that provide investment related services or engage in permitted investment related activities with investees that relate to the parent investment entity's investment activities continue to be consolidated in the Group results. The criteria which define an investment entity are currently as follows:

a) an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
b) an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
c) an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Group's annual and interim consolidated financial statements clearly state its objective of investing directly into portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation. The Group has always reported its investment in portfolio investments at fair value. It also produces reports for investors of the funds it manages and its internal management report on a fair value basis. The exit strategy for all investments held by the Group is assessed, initially, at the time of the first investment and this is documented in the investment paper submitted to the Board for approval.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties. The Board has concluded securities; it has more than one investor and its investors are not related parties. The Board has concluded that B.P. Marsh & Partners Plc and its two trading subsidiaries, B.P. Marsh & Company Limited and B.P. Marsh (North America) Limited, which provide investment related services on behalf of B.P. Marsh & Partners Plc, all meet the definition of an investment entity. These conclusions will be reassessed on an annual basis for changes to any of these criteria or characteristics.

Application and significant judgments

When it is established that a parent company is an investment entity, its subsidiaries are measured at fair value through profit or loss. However, if an investment entity has subsidiaries that provide services that relate to the investment entity's investment activities, the exception to the Amendment of IFRS 10 is not applicable as in this case, the parent investment entity still consolidates the results of its subsidiaries. Therefore, the results of B.P. Marsh & Company Limited and B.P. Marsh (North America) Limited continue to be consolidated into its Group financial statements for the year.

The most significant estimates relate to the fair valuation of the equity investment portfolio as detailed in Note 12 to the Financial Statements. The valuation methodology for the investment portfolio is detailed below. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

New Accounting Standards

There are no new standards that have been issued, but are not yet effective for the year ended 31st January 2024, which might have a material impact on the Group's financial statements in future periods.

Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control, as defined by IFRS 10, is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
b) exposure, or rights, to variable returns from its involvement with the investee; and
c) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) rights arising from other contractual arrangements; and
b) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

B.P. Marsh & Partners Plc ("the Company"), an investment entity, has two subsidiary investment entities, B.P. Marsh & Company Limited and B.P. Marsh (North America) Limited, that provide services that relate to the Company's investment activities. The results of these two subsidiaries, together with other subsidiaries (except for LEBC Holdings Limited ("LEBC")), are consolidated into the Group consolidated financial statements. The Group has taken advantage of the Amendment to IFRS 10 not to consolidate the results of LEBC. Instead, the investment in LEBC is valued at fair value through profit or loss.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Group's investment portfolio are carried in the Consolidated Statement of Financial Position at fair value even though the Group may have significant influence over those companies.

Business combinations

The results of subsidiary undertakings are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

All business combinations are accounted for by using the acquisition accounting method. This involves recognising identifiable assets and liabilities of the acquired business at fair value. Goodwill represents the excess of the fair value of the purchase consideration for the interests in subsidiary undertakings over the fair value to the Group of the net assets and any contingent liabilities acquired. The one exception to the use of the acquisition accounting method was in 2006 when B.P. Marsh & Partners Plc became the legal parent company of B.P. Marsh & Company Limited in a share for share exchange transaction. This was accounted for as a reverse acquisition, such that no goodwill arose, and a merger reserve was created reflecting the difference between the book value of the shares issued by B.P. Marsh & Partners Plc as consideration for the acquisition of the share capital of B.P. Marsh & Company Limited. This compliance with IFRS 3: Business Combinations ("IFRS 3") also represented a departure from the Companies Act.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Group's investment portfolio are carried in the Consolidated Statement of Financial Position at fair value even though the Group may have significant influence over those companies. This treatment is permitted by IAS 28: Investment in Associates ("IAS 28"), which requires investments held by venture capital organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39: Financial Instruments ("IAS 39"), with changes in fair value recognised in the profit or loss in the period of the change. The Group has no interests in associates through which it carries on its business.

No Statement of Comprehensive Income is prepared for the Company, as permitted by Section 408 of the Companies Act 2006. The Company made a profit for the year of £42,529,132, prior to a dividend distribution of £2,028,206 (2023: profit of £23,843,539 prior to a dividend distribution of £1,001,435).

Employee services settled in equity instruments

The Group has entered into a joint share ownership plan ("JSOP") with certain employees and directors.

On 12th June 2021 (the "vesting date") the performance criteria was met for 1,206,888 of 1,461,302 shares held under joint share ownership arrangements within the Employee Benefit Trust, after which the members of the scheme became joint beneficial owners of the shares and became entitled to any gain on sale of the shares in excess of 312.6 pence per share.

On 26th October 2023 following the removal of a dividend waiver and block on voting rights on the 1,206,888 allocated ordinary shares held by the Employee Benefit Trust, these ordinary shares became eligible for dividend and voting rights and therefore became fully dilutive for the Group.

236,259 ordinary shares held within the Employee Benefit Trust are unallocated and do not have voting or dividend rights. The Employee Benefit Trust remains the owner of these unallocated shares, however if these shares are sold from the Employee Benefit Trust in the future they would then, post-sale, have voting and dividend rights attached, such that they would become fully dilutive for the Group.

Provided that the shares are eventually sold from the Employee Benefit Trust for at least 284.5 pence per share on average, the Group would be entitled to receive £4,106,259 in total.

The Group has established an HMRC approved Share Incentive Plan ("SIP"). Ordinary shares in the Company, previously repurchased and held in Treasury by the Company, have been transferred to The B.P. Marsh SIP Trust ("the SIP Trust"), an employee share trust, in order to be issued to eligible employees.

Under the rules of the SIP, eligible employees can each be granted up to £3,600 worth of ordinary shares ("Free Shares") by the SIP Trust in each tax year. The number of shares granted is dependent on the share price at the date of grant. In addition, all eligible employees have been invited to take up the opportunity to acquire up to £1,800 worth of ordinary shares ("Partnership Shares") in each tax year and for every Partnership Share that an employee acquires, the SIP Trust will offer two ordinary shares in the Company ("Matching Shares") up to a total of £3,600 worth of shares. The Free and Matching Shares are subject to a one year forfeiture period, however the awards are not subject to any vesting conditions, hence the related expenses are recognised when the awards are made and are apportioned over the forfeiture period.

The fair value of the services received is measured by reference to the listed share price of the Parent Company's shares listed on the AIM on the date of award of the free and matching shares to the employee.

The Group has also established a Share Option Plan ("SOP") for certain employees and directors. Share Options ("Options") over 1,682,500 ordinary shares of 10p each in the Company, in aggregate, have been granted. 3,470 Options of the total 1,685,970 available for allocation are unallocated.

Each of the Options will vest, on a ratchet basis, subject to certain Net Asset Value growth targets being achieved for the three consecutive financial years ending 31st January 2024, 31st January 2025 and 31st January 2026 (the "Performance Period"). The first exercise date is 6th September 2026 whereby 50% of vested Options will be exercisable at 10p per share, with the remaining 50% exercisable at 10p per share from 6th September 2027.

The number of Options which vest will vary depending on the level of Net Asset Value growth achieved, subject to the growth performance criteria as set out below, alongside the percentage of Options that will vest at each value:

Compounded annual growth of Net Asset Value over the Performance Period	**% vesting of Options**
Less than 8.5%	0%
Between 8.5% and less than 9.25%	25%
Between 9.25% and less than 10%	50%
10% or above	100%

For these purposes, Net Asset Value is defined as "audited Total Assets less Total Liabilities for the consolidated Group plus any dividends or other form of shareholder return that are paid in the relevant Financial Year".

Therefore, for all Options to vest, the Net Asset Value (as defined above) would need to exceed £252.2m, adjusted for any shareholder distributions.

Investments - equity portfolio

All equity portfolio investments are designated as "fair value through profit or loss" assets and are initially recognised at the fair value of the consideration. They are measured at subsequent reporting dates at fair value.

The Board conducts the valuations of equity portfolio investments. In valuing equity portfolio investments, the Board applies guidelines issued by the International Private Equity and Venture Capital Valuation Committee ("IPEVCV Guidelines"). The following valuation methodologies have been used in reaching the fair value of equity portfolio investments, some of which are in early stage companies:

a) at cost, unless there has been a significant round of new equity finance in which case the investment is valued at the price paid by an independent third party. Where subsequent events or changes to circumstances indicate that an impairment may have occurred, the carrying value is reduced to reflect the estimated extent of impairment;
b) by reference to underlying funds under management;
c) by applying appropriate multiples to the earnings and revenues and/or premiums of the investee company; or
d) by reference to expected future cash flow from the investment where a realisation or flotation is imminent.

Both realised and unrealised gains and losses arising from changes in fair value are taken to the Consolidated Statement of Comprehensive Income for the year. In the Consolidated Statement of Financial Position the unrealised gains and losses arising from changes in fair value are shown within a "fair value reserve" separate from retained earnings. Transaction costs on acquisition or disposal of equity portfolio investments are expensed in the Consolidated Statement of Comprehensive Income.

Equity portfolio investments are treated as 'Non-current Assets' within the Consolidated Statement of Financial Position unless the directors have committed to a plan to sell the investment and an active programme to locate a buyer and complete the plan has been initiated. Where such a commitment exists, and if the carrying amount of the equity portfolio investment will be recovered principally through a sale transaction rather than through continuing use, the investment is classified as an 'Investments - Assets held for sale' under 'Current Assets' within the Consolidated Statement of Financial Position.

Income from equity portfolio investments

Income from equity portfolio investments comprises:

a) gross interest from loans, which is taken to the Consolidated Statement of Comprehensive Income on an accruals basis;

b) dividends from equity investments are recognised in the Consolidated Statement of Comprehensive Income when the shareholders rights to receive payment have been established; and

c) advisory fees from management services provided to investee companies, which are recognised on an accruals basis in accordance with the substance of the relevant investment advisory agreement.

Investments - treasury portfolio

All treasury portfolio investments are designated as "fair value through profit or loss" assets and are initially recognised at the fair value of the consideration. They are measured at subsequent reporting dates at fair market value as determined from the valuation reports provided by the fund investment manager.

Both realised and unrealised gains and losses arising from changes in fair market value are taken to the Consolidated Statement of Comprehensive Income for the period. In the Consolidated Statement of Financial Position the unrealised gains and losses arising from changes in fair value are shown within the retained earnings as these investments are deemed as being easily convertible into cash. Costs associated with the management of these investments are expensed in the Consolidated Statement of Comprehensive Income.

Income from treasury portfolio investments

Income from treasury portfolio investments comprises of dividends receivable which are either directly reinvested into the funds or received as cash.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the property, plant and equipment cost less their estimated residual value, over their expected useful lives on the following bases:

Furniture & equipment - 5 years
Leasehold fixtures and fittings and other costs - over the life of the lease

Right-of-use asset

IFRS 16 requires lessees to recognise a lease liability, representing the present value of the obligation to make lease payments, and a related right of use ("ROU") asset. The lease liability is calculated based on expected future lease payments, discounted using the relevant incremental borrowing rate. An incremental borrowing rate of 5% was used to discount the future lease payments when measuring the lease liability on adoption of IFRS 16.

The ROU asset is recognised at cost less accumulated depreciation and impairment losses, with depreciation charged on a straight-line basis over the life of the lease. In determining the value of the ROU asset and lease liabilities, the Group considers whether any leases contain lease extensions or termination options that the Group is reasonably certain to exercise.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies at the reporting period end are translated at the exchange rate ruling at the reporting period end.

Transactions in foreign currencies are translated into sterling at the foreign exchange rate ruling at the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Comprehensive Income.

Income taxes

The tax credit or expense represents the sum of the tax currently recoverable or payable and any deferred tax. The tax currently recoverable or payable is based on the estimated taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's receivable or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the Consolidated Statement of Financial Position.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and of liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and it 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. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each date of the Consolidated Statement of Financial Position 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 tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Pension costs

The Group operates a defined contribution scheme for some of its employees. The contributions payable to the scheme during the period are charged to the Consolidated Statement of Comprehensive Income.

Financial assets and liabilities

Financial instruments are recognised in the Consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. De-recognition occurs when rights to cash flows from a financial asset expire, or when a liability is extinguished.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting period which are classified as non-current assets. They are stated at their cost less impairment losses.

Loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, these are subsequently measured at amortised cost using the effective interest method, which is the rate that exactly discounts the estimated future cash flows through the expected life of the liabilities. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Trade and other receivables

Trade and other receivables in the Consolidated Statement of Financial Position are initially measured at original invoice amount and subsequently measured after deducting any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise cash and short-term deposits as defined above and other short-term highly liquid investments that are readily convertible into cash and are subject to insignificant risk of changes in value, net of bank overdrafts.

Trade and other payables

Trade and other payables are stated based on the amounts which are considered to be payable in respect of goods or services received up to the date of the Consolidated Statement of Financial Position.

2. **SEGMENTAL REPORTING**

The Group operates in one business segment, provision of consultancy services to, as well as making and trading investments in, financial services businesses.

Under IFRS 8: Operating Segments ("IFRS 8") the Group identifies its reportable operating segments based on the geographical location in which each of its investments is incorporated and primarily operates. For management purposes, the Group is organised and reports its performance by two geographic segments: UK and Non-UK.

If material to the Group overall (where the segment revenues, reported profit or loss or combined assets exceed the quantitative thresholds prescribed by IFRS 8), the segment information is reported separately.

The Group allocates revenues, expenses, assets and liabilities to the operating segment where directly attributable to that segment. All indirect items are apportioned based on the percentage proportion of revenue that the operating segment contributes to the total Group revenue (excluding any realised and unrealised gains and losses on the Group's current and non-current investments).

Each reportable segment derives its revenues from three main sources from equity portfolio investments as described in further detail in Note 1 under 'Income from equity portfolio investments' and also from treasury portfolio investments as described in Note 1 under 'Income from treasury portfolio investments'.

All reportable segments derive their revenues entirely from external clients and there are no inter-segment sales.

	Geographic segment 1: *UK*		**Geographic segment 2:** *Non-UK*		**Group**	
	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Operating income	45,345	8,217	5,821	24,162	51,166	32,379
Operating expenses	(4,356)	(2,759)	(3,525)	(2,130)	(7,881)	(4,889)
Segment operating profit	40,989	5,458	2,296	22,032	43,285	27,490
Financial income	399	73	322	57	721	130
Financial expenses	(31)	(50)	(24)	(38)	(55)	(88)
Exchange movements	(39)	30	(294)	28	(333)	58
Profit before tax	41,318	5,511	2,300	22,079	43,618	27,590
Income taxes	-	-	(1,089)	(3,747)	(1,089)	(3,747)
Profit for the year	**£41,318**	**£5,511**	**£1,211**	**£18,332**	**£42,529**	**£23,843**

Included within the operating income reported above are the following amounts requiring separate disclosure owing to the fact that they are derived from a single investee company and the total revenues attributable to that investee company are 10% or more of the total realised and unrealised income generated by the Group during the period:

Investee Company	Total net operating income attributable to the investee company £'000		% of total realised and unrealised operating income		Reportable geographic segment	
	2024	2023	2024	2023	2024	2023
Paladin Holdings Limited	32,382	10,304	63	32	1	1
Pantheon Specialty Group Limited[1]	14,955	-	29	-	1	-
XPT Group LLC[1]	-	13,594	-	42	-	2
Lilley Plummer Holdings Limited	6,888	5,186	13	16	1	1
ATC Insurance Solutions PTY Limited[1]	-	4,726	-	15	-	2
Stewart Specialty Risk Underwriting Limited[1]	-	3,211	-	10	-	2

[1] There are no disclosures for XPT Group LLC, ATC Insurance Solutions PTY Limited and Stewart Specialty Risk Underwriting Limited in the current year as the income derived from these investee companies did not exceed the 10% threshold prescribed by IFRS 8. There is also no disclosure shown for Pantheon Specialty Group Limited ("Pantheon") in the prior year as the Group did not hold an investment in Pantheon in that year.

	Geographic segment 1: *UK*		Geographic segment 2: *Non-UK*		Group	
	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets						
Property, plant and equipment	34	45	31	34	65	79
Right-of-use asset	268	386	239	285	507	671
Investments - equity portfolio	37,783	98,704	78,050	72,757	115,833	171,461
Loans and receivables	10,775	5,712	5,422	2,408	16,197	8,120
	48,860	104,847	83,742	75,484	132,602	180,331
Current assets						
Investments - assets held for sale	49,549	-	-	-	49,549	-
Investments - treasury portfolio	78	591	-	-	78	591
Trade and other receivables	14,840	4,777	793	506	15,633	5,283
Cash and cash equivalents	40,435	11,564	-	-	40,435	11,564
	104,902	16,932	793	506	105,695	17,438
Total assets	153,762	121,779	84,535	75,990	238,297	197,769
Non-current liabilities						
Lease liabilities	(220)	(343)	(196)	(253)	(416)	(596)
Deferred tax liabilities	-	-	(6,687)	(5,631)	(6,687)	(5,631)
	(220)	(343)	(6,883)	(5,884)	(7,103)	(6,227)
Current liabilities						
Trade and other payables	(1,838)	(1,733)	(5)	(97)	(1,843)	(1,830)
Lease liabilities	(95)	(101)	(85)	(74)	(180)	(175)
	(1,933)	(1,834)	(90)	(171)	(2,023)	(2,005)
Total liabilities	(2,153)	(2,177)	(6,973)	(6,055)	(9,126)	(8,232)
Net assets	**£151,609**	**£119,602**	**£77,562**	**£69,935**	**£229,171**	**£189,537**
Additions to property, plant and equipment	7	6	6	5	13	11
Depreciation and amortisation of property, plant and equipment	(101)	(111)	(90)	(82)	(191)	(193)
Release of provision against investments and loans	24	30	-	-	24	30
Cash flow arising from:						
Operating activities	37,534	(1,812)	(6,572)	6,493	30,962	4,681
Investing activities	1,117	(515)	-	-	1,117	(515)
Financing activities	(3,208)	(1,230)	-	-	(3,208)	(1,230)
Change in cash and cash equivalents	**35,443**	**(3,557)**	**(6,572)**	**6,493**	**28,871**	**2,936**

As outlined previously, under IFRS 8 the Group reports its operating segments (UK and Non-UK) and associated income, expenses, assets and liabilities based upon the country of domicile of each of its investee companies.

In addition to the segmental analysis disclosure reported above, the Group has undertaken a further assessment of each of its investee companies' underlying revenues, specifically focusing on the geographical origin of this revenue. Geographical analysis of each investee company's 2024 and 2023 revenue budgets was carried out and, based upon this analysis, the directors have determined that on a look-through basis, the Group's portfolio of investee companies can also be analysed as follows:

	2024	2023
	%	%
UK	29	37
Non-UK	71	63
Total	100	100

3. FINANCIAL EXPENSES

	2024	2023
	£'000	£'000
Interest costs on lease liability (Note 21)	39	47
Investment management costs (Note 13)	16	41
	£55	£88

	£ 55	£ 88

4. FINANCIAL INCOME

	2024 £'000	2023 £'000
Bank and similar interest	87	2
Income from treasury portfolio investments - interest, dividend and similar income (Note 13)	467	165
Income from treasury portfolio investments - net unrealised gains / (losses) on revaluation (Note 13)	167	(37)
	£ 721	£ 130

5. STAFF COSTS

The average number of employees, including all directors (executive and non-executive), employed by the Group during the year was 16 (2023: 16); 6 of those are in a management role (2023: 6) and 10 of those are in a support role (2023: 10). All remuneration was paid by B.P. Marsh & Company Limited.

The related staff costs were:	2024 £'000	2023 £'000
Wages and salaries	5,145	3,051
Social security costs	746	453
Pension costs	192	162
Other employment costs (Note 24)	167	85
	£6,250	£3,751

During the year to 31st January 2017 the Group established a Share Incentive Plan ("SIP") under which certain eligible directors and employees were granted Ordinary shares in the Company. These shares are being held on behalf of these directors and employees within the B.P. Marsh SIP Trust.

During the year to 31st January 2019, Joint Share Ownership Agreements were also entered into between certain directors and employees and the Company.

During the current year the Group established a Share Option Plan ("SOP") under which certain directors and employees were granted options over Ordinary shares in the Company.

Share-based charges of £77,492 (2023: £84,714) relating to the SIP and £89,437 (2023: N/A) relating to the SOP are included within 'Other employment costs' above. No charges relating to the Joint Share Ownership Agreements are included within 'Other employment costs' above as the scheme vested during the year to 31st January 2022.

6. DIRECTORS' EMOLUMENTS

	2024	2023
The aggregate emoluments of the directors were:	£'000	£'000
Management services - remuneration	2,933	1,601
Fees	30	25
Pension contributions - remuneration	67	71
	£ 3,030	£ 1,697

502,395 of the 1,461,302 shares, in respect of which joint interests were granted during the year to 31st January 2019, were issued to current directors.

Of the total 32,780 (2023: 31,801) Free, Matching and Partnership Shares granted under the SIP during the year, 8,940 (2023: 8,673) were granted to directors of the Company.

Of the £77,492 (2023: £84,714) charge relating to the SIP and £89,437 (2023: N/A) charge relating to the SOP, as set out in Note 5, £21,134 (2023: £23,104) and £36,147 (2023: N/A) related to the directors respectively.

	2024 £'000	2023 £'000
Highest paid director		
Emoluments	1,451	458
Pension contribution	7	27
	£ 1,458	£ 485

The Company contributes into defined contribution pension schemes on behalf of certain employees and directors. Contributions payable are charged to the Consolidated Statement of Comprehensive Income in the period to which they relate.

During the year, 3 directors (2023: 3) accrued benefits under these defined contribution pension schemes.

The key management personnel comprise only the directors.

7. DIVIDENDS

	2024	2023

	£'000	£'000
Ordinary dividends		
Dividend paid:		
5.56 pence each on 36,478,524* Ordinary shares (2023: 2.78 pence each on 36,022,853 Ordinary shares)	2,028	1,001
	£ 2,028	£ 1,001

*Due to the Company making three separate dividend payments during the current year (2023: one dividend payment made), the calculation of the number of ordinary shares on which the dividend was paid is an average based upon the total aggregate dividend distribution made divided by the total pence per ordinary share distributed during the year.

In the current year total dividends of £13,304 (2023: £5,969) were payable on the 247,476 (2023: 214,696) ordinary shares held by the B.P. Marsh SIP Trust ("SIP Trust").

On 26th October 2023, following the removal of a dividend waiver and block on voting rights on the 1,206,888 allocated ordinary shares held by the B.P. Marsh Employees' Share Trust ("the Employee Benefit Trust") under the Joint Share Ownership Plan ("JSOP"), these ordinary shares became eligible for full dividend and voting rights. In the current year a total dividend of £33,551 was payable on the 1,206,888 allocated ordinary shares, of which £4,714 was paid to participants of the JSOP based upon the employees' proportionate ownership rights attached to the shares which is determined by the Company's share price on the record date. No dividend was payable on the 236,259 unallocated ordinary shares held by the Employee Benefit Trust (2023: no dividend was payable on both the 1,206,888 allocated and 236,259 unallocated ordinary shares held by the Employee Benefit Trust).

In addition, no dividend is payable on unallocated ordinary shares held in Treasury on the dividend record date.

8. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2024 £'000	2023 £'000
The profit for the year is arrived at after charging/(crediting):		
Depreciation and amortisation of property, plant & equipment, and right-of-use asset	191	193
Auditor's remuneration:		
Audit fees for the Company	37	35
Other services:		
-Audit of subsidiaries' accounts	18	17
-Taxation	14	15
-Other advisory	14	9
Exchange loss / (gain)	333	(58)

9. INCOME TAX EXPENSE

	2024 £'000	2023 £'000
Current tax:		
Current tax on profits for the year	33	14
Adjustments in respect of prior years	-	-
Total current tax	33	14
Deferred tax (Note 17):		
Origination and reversal of temporary differences	1,056	3,733
Total deferred tax	1,056	3,733
Total income taxes charged in the Consolidated Statement of Comprehensive Income	£ 1,089	£ 3,747

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2024 £'000	2023 £'000
Profit before tax	43,618	27,590
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.00% (2023: 19.00%)	10,468	5,242
Tax effects of:		
Expenses not deductible for tax purposes	132	25
Withholding tax suffered at source on overseas income	33	14
Taxable/(non-taxable) capital gains on disposal of investments	31	(4)
Other effects:		
Non-taxable income (dividends received)	(841)	(593)
Non-taxable income (unrealised gains on equity portfolio revaluation)	(9,475)	(1,442)
Management expenses unutilised	741	505
Total income taxes charged in the Consolidated Statement of Comprehensive Income	£ 1,089	£ 3,747

The UK corporation tax increased from 19% to 25% effective 1st April 2023. This change in tax rate has not had a material impact on the Group financial statements for the year ended 31st January 2024 and is not expected to have a material impact on future periods. Refer to Note 17 for details.

10. EARNINGS AND NET ASSET VALUE PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS AND NET ASSET VALUE PER SHARE

	2024 £'000	2023 £'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share being total comprehensive income attributable to equity shareholders	42,529	23,843
Earnings per share - basic	114.7p	66.2p
Earnings per share - diluted	114.0p	63.6p
Number of shares	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	37,081,306	36,017,964
Number of dilutive shares under option	236,259	1,443,147
Weighted average number of ordinary shares for the purposes of dilutive earnings per share	37,317,565	37,461,111

	2024 £'000	2023 £'000
Net Asset Value		
Basic Net Asset Value		
Net Asset Value attributable to equity shareholders	229,171	189,537
Adjustment to Net Asset Value[1]	3,391	-
Adjusted Net Asset Value for the purposes of basic Net Asset Value per share being total Net Asset Value attributable to equity shareholders	232,562	189,537
Diluted Net Asset Value		
Net Asset Value attributable to equity shareholders	229,171	189,537
Adjustment to Net Asset Value[2]	4,106	4,106
Adjusted Net Asset Value for the purposes of diluted Net Asset Value per share being total Net Asset Value attributable to equity shareholders	233,277	193,643
Net Asset Value per share - basic	629.0p	526.2p
Net Asset Value per share - diluted	626.9p	516.9p
Number of shares	Number	Number
Number of ordinary shares for the purposes of basic Net Asset Value per share	36,974,191	36,018,003
Number of dilutive shares under option	236,259	1,443,147
Number of ordinary shares for the purposes of dilutive Net Asset Value per share	37,210,450	37,461,150

[1]Adjustment to Net Asset Value represents the cash receivable by the Group when the 1,206,888 allocated ordinary shares that are held under joint ownership arrangements within the Employee Benefit Trust, and which were considered fully dilutive as at 31st January 2024, are sold.

[2]Adjustment to Net Asset Value represents the cash receivable by the Group when the total 1,443,147 allocated and unallocated ordinary shares that are held under joint ownership arrangements within the Employee Benefit Trust, are sold.

During the year the Company paid a total of £1,052,751, including commission, in order to repurchase 283,480 ordinary shares at an average price of 370 pence per share (2023: the Company paid a total of £16,191, including commission, in order to repurchase 4,850 ordinary shares at an average price of 330 pence per share).

pence per share).

On 9th December 2023 178,000 ordinary shares in the Company were cancelled. These shares were previously held in Treasury. Following the cancellation, the total number of ordinary shares in issue reduced from 37,466,000 as at 31st January 2023 to 37,288,000 as at 31st January 2024.

Ordinary shares held by the Company in Treasury

Movement of ordinary shares held in Treasury:

	2024 Number	2023 Number
Opening total ordinary shares held in Treasury at 1st February	4,850	9,542
Ordinary shares repurchased into Treasury during the year	283,480	4,850
Ordinary shares transferred to the B.P. Marsh SIP Trust during the year	(32,780)	(9,542)
Ordinary shares cancelled from Treasury during the year	(178,000)	-
Total ordinary shares held in Treasury at 31st January	77,550	4,850

The Treasury shares do not have voting or dividend rights and have therefore been excluded for the purposes of calculating Earnings per share and Net Asset Value per share.

The repurchase of the ordinary shares is borne from the Group's commitment to reduce share price discount to Net Asset Value. As outlined in the Group's Share Buy-Back Policy announcement on 16th January 2023, its policy has been throughout the year, subject to ordinary shares in the Company being available to purchase, to be able to buy small parcels of shares (for up to a maximum aggregate consideration of £1,000,000) at a price representing a discount of at least 20% to the most recently announced Net Asset Value per share and place them into Treasury. Prior to 16th January 2023, and in accordance with its Share Buy-Back Policy announcement on 17th July 2019, the Group's policy was to buy back shares when the share price was below 15% of its published Net Asset Value.

On 14th November 2023 the Group announced a new Share Buy-Back Programme allowing it to repurchase ordinary shares in the Company for up to a maximum aggregate consideration of £500,000 and subject to ordinary shares being available to purchase at a price representing a discount of at least 20% to the most recently announced Net Asset Value per share.

There were 254,414 shares which remained unallocated within the Employee Benefit Trust as at 31st January 2022. During the year to 31st January 2023, 18,155 of the 254,414 unallocated shares were transferred to the B.P. Marsh SIP Trust ("SIP Trust") to be used as part of the 22-23 SIP awards made in April 2022. Following this transfer and as at 31st January 2024 there were 1,443,147 shares held within the Employee Benefit Trust, of which 236,259 shares were unallocated. The Employee Benefit Trust remains the owner of these unallocated shares.

On 26th October 2023, following the removal of a dividend waiver and block on voting rights on the 1,206,888 allocated ordinary shares held by the Employee Benefit Trust under the Joint Share Ownership Plan ("JSOP"), these ordinary shares became eligible for full dividend and voting rights.

The weighted average number of shares used for the purposes of calculating the basic earnings per share, net asset value and net asset value per share of the Group includes the 1,206,888 allocated ordinary shares held within the Employee Benefit Trust as these were considered fully dilutive as at 31st January 2024 due to the dividend and voting rights attached to them. The Group net asset value also includes an adjustment representing the economic right the Group has to the first 281 pence per share (£3,391,355) on the 1,206,888 allocated ordinary shares held within the Employee Benefit Trust as when the joint share ownership arrangements are eventually exercised, this would also increase the Group's net asset value by £3,391,355.

236,259 unallocated shares currently held within the Employee Benefit Trust have been excluded for the purposes of calculating the basic earnings per share, net asset value and net asset value per share as these shares do not have voting rights or dividend rights whilst they are held within this Employee Benefit Trust. The Group net asset value has also excluded the economic right the Group has to the first 281 pence per share on the 236,259 unallocated shares issued to the Employee Benefit Trust for the same reasons.

On this basis the current undiluted net asset value per share is 629.0 pence for the Group. When the joint share ownership arrangements are eventually exercised in full, although this would increase the number of shares in issue entitled to voting and dividend rights, this would also increase the Group's net asset value by a further £714,904 (total of £4,106,259 based upon the total 1,461,302 shares originally issued to the Employee Benefit Trust at 281 pence per share). The diluted net asset value per share is therefore 626.9 pence.

The diluted weighted average number of ordinary shares at 31st January 2024 has been calculated by proportioning the 236,259 vested, but unallocated, shares held under joint share ownership arrangements from the vesting date over the period.

The diluted earnings per share and net asset value per share exclude the 1,682,500 options over ordinary shares granted as part of the Company's Share Option Plan ("SOP") as these were not dilutive for the Group as at 31st January 2024 based upon the performance conditions attached to the options (Note 24).

The decrease to the weighted average number of ordinary shares between 2023 and 2024 is mainly attributable to the 283,480 ordinary shares repurchased into Treasury during the year, offset by the 32,780 ordinary shares transferred from Treasury to the SIP Trust during the year which have been treated as re-issued for the purposes of calculating earnings per share.

32,780 ordinary shares (comprising 32,780 ordinary shares transferred from Treasury to the SIP Trust in April 2023) were allocated to the participating employees as Free, Matching and Partnership shares under the share incentive plan arrangement on 14th April 2023 (Note 24).

11. PROPERTY, PLANT AND EQUIPMENT

	Furniture and Equipment £'000	Leasehold Fixtures and Fittings and Others £'000	Total £'000
Group			
Cost			
At 1st February 2022	142	152	294
Additions	11	-	11
Disposals	(5)	-	(5)
At 31st January 2023	148	152	300
At 1st February 2023	148	152	300
Additions	13	-	13
Disposals	-	-	-
At 31st January 2024	161	152	313
Depreciation			
At 1st February 2022	119	79	198
Eliminated on disposal	(5)	-	(5)
Charge for the year	14	14	28
At 31st January 2023	128	93	221
At 1st February 2023	128	93	221
Eliminated on disposal	-	-	-
Charge for the year	12	15	27
At 31st January 2024	140	108	248
Net book value			
At 31st January 2024	£ 21	£ 44	£ 65
At 31st January 2023	£ 20	£ 59	£ 79
At 31st January 2022	£ 23	£ 73	£ 96

12. INVESTMENTS - EQUITY PORTFOLIO

Group	Shares in investee companies		
	Continuing investments	Current Assets - Investments held for sale	Total
	£'000	£'000	£'000
At valuation			
At 1st February 2022	141,245	8,104	149,349
Additions	2,941	-	2,941
Disposals	-	(8,104)	(8,104)
Provisions	-	-	-
Unrealised gains in this period	27,275	-	27,275
At 31st January 2023	£ 171,461	£ -	£ 171,461
At 1st February 2023	171,461	-	171,461
Transfers between categories	(18,380)	18,380	-
Additions	3,364	-	3,364
Disposals	(53,154)	-	(53,154)
Provisions	-	-	-
Unrealised gains in this period	12,542	31,169	43,711
At 31st January 2024	£ 115,833	£ 49,549	£ 165,382
At cost			
At 1st February 2022	56,380	6,096	62,476
Additions	2,941	-	2,941
Disposals	-	(6,096)	(6,096)
Provisions	-	-	-
At 31st January 2023	£ 59,321	£ -	£ 59,321
At 1st February 2023	59,321	-	59,321
Transfers between categories	(4)	4	-
Additions	3,364	-	3,364
Disposals	(16,758)	-	(16,758)
Provisions	-	-	-
At 31st January 2024	£ 45,923	£ 4	£ 45,927

The additions relate to the following transactions in the year:

On 28th April 2023 the Group acquired a 35% cumulative preferred ordinary equity stake in Verve Risk Services Limited ("Verve") for consideration of £430,791. Verve is a London-based Managing General Agency which specialises in Professional and Management Liability business for the insurance industry in the USA, Canada Bermuda, Cayman Islands and Barbados. The Group also provided Verve with a loan facility of £569,209 which was drawn down in full on completion. The aggregate funding of £1,000,000 was utilised as part of a management buy-out of Verve Risk Partners LLP, an underwriting cell within Castel Underwriting Agencies Limited.

On 21st June 2023 the Group acquired a 25% cumulative preferred ordinary equity stake in Pantheon Specialty Limited ("Pantheon") for consideration of £25. Pantheon is a new holding company, established in Partnership with Robert Dowman, a leading London Market Casualty broker specialising in the larger, more complex liability placements across the world. On 9th September 2023 Pantheon formally changed its company name to Pantheon Specialty Group Limited.

On 30th October 2023 the Group acquired, through its wholly-owned subsidiary company B.P. Marsh (North America) Limited, a further 2.63% equity stake in XPT Group LLC ("XPT") for USD 3,500,000 (£2,903,459). As at 31st January 2023 the Group's equity investment was 28.54% and at the time of investment the Group's equity investment in XPT had reduced due to dilution to 27.30%. On completion the Group's equity investment increased to 29.93%. As at 31st January 2024 the Group's shareholding in XPT was 29.71% (29.10% on a fully diluted basis).

On 21st December 2023 the Group acquired a 30% cumulative preferred ordinary equity stake in Ai Marine Risk Limited ("Ai Marine") for consideration of £30,000. The Group's investment was made directly into Ai Marine's holding company, Dempsey Group Limited, which owns 100% of Ai Marine. Ai Marine is a London-based Managing General Agency specialising in Marine Hull insurance with a strong focus on the UK & Europe, Middle-East and Asia-Pacific regions. The Group also provided Ai Marine with a loan facility of £1,570,000, of which £500,000 was drawn down on completion. As at 31st January 2024 total loans outstanding amounted to £500,000, with a remaining undrawn facility of £1,070,000 (Note 22).

The disposals relate to the following transactions in the year:

On 19th June 2023 the Group received £700,000 following the redemption of 700,000 redeemable preferred shares it held in Lilley Plummer Holdings Limited ("Lilley Plummer"), as part of a capital restructure. As at 31st January 2024 the Group's equity holding in Lilley Plummer was 30%, which remained unchanged following this redemption.

On 21st June 2023, and upon the establishment of Pantheon noted under the additions above, Pantheon acquired a 100% shareholding in the existing Lloyd's Broker, Denison and Partners Limited ("Denison and Partners"), including the Group's entire 40% equity holding. No cash consideration was received by the Group for the disposal, which represented a net loss of £132,000 (Note 14) based upon the Group's carrying value of the investment of £132,000 as at 31st January 2023. However, as part of the transaction, the Group received a 40% equity holding in New Denison Limited ("New Denison"). New Denison was incorporated on 20th June 2023 and is currently a dormant company until such time that it receives its own regulatory approvals. On 9th September 2023 Denison and Partners formally changed its company name to Pantheon Specialty Limited.

On 11th August 2023 Paladin Holdings Limited ("Paladin") exercised a Call Option arrangement with the Group over 5.88% of shares in Paladin which the Group held. The Group received £804,000, which was in line with the carrying value of the shares included within the fair value of the Group's investment of Paladin as at 31st January 2023 and represented an overall gain of £4,000 above the original cost of the shares of £800,000. Pursuant to the share transfer, Paladin cancelled the shares and as a consequence of the transaction the Group's shareholding in Paladin reduced from 47.06% to 43.75%. The transaction was funded through the Group lending Paladin a further £804,000. As at 31st January 2024 total loans to Paladin amounted to £5,900,500 and the Group's diluted equity holding in Paladin, adjusted for options expected to vest, was 38.63%.

On 9th October 2023 the Group completed the disposal of its entire 18.7% shareholding in Kentro Capital Limited ("Kentro"), pursuant to an agreement dated 22nd May 2023 by which Brown & Brown, Inc ("Brown & Brown"), one of the largest US-based insurance intermediaries, agreed to acquire the entire issued share capital of Kentro. On completion, the Group received proceeds of £51,522,000 (net of all transaction costs) which was in line with the carrying value of the Group's investment in Kentro of £51,522,000 as at 31st January 2023 and represented an overall gain of £36,395,446 above the cost of investment. As part of the agreement, on completion the Group provided a loan facility of £524,253 to Brown & Brown (Europe) Holdco Limited, alongside other major selling shareholders, in respect of certain identified indemnities under the Sale and Purchase Agreement. Whilst the loan capital could reduce due to potential claims, at this time the Group expects full repayment.

The unquoted investee companies, which are registered in England except for Asia Reinsurance Brokers Pte Limited (Singapore), Stewart Specialty Risk Underwriting Ltd (Canada), XPT Group LLC (USA), ATC Insurance Solutions PTY Limited (Australia), Criterion Underwriting Pte Limited (Singapore), Agri Services Company PTY Limited (Australia) and Sage Program Underwriters, Inc. (USA) are as follows:

Name of company	% holding of share capital	Date information available to	Aggregate capital and reserves £	Post tax profit/(loss) for the year £	Principal activity
Agri Services Company PTY Limited	41.00	30.06.23	1,465,168	64,998	Holding company for specialist Australian agricultural Managing General Agency
Asia Reinsurance Brokers Pte Limited	25.00	31.05.23	2,088,147	90,564	Specialist reinsurance broker

ATC Insurance Solutions PTY Limited	25.56	30.06.23	12,991,892	3,470,843	Specialist Australian Managing General Agency
Criterion Underwriting Pte Limited[1]	29.40	31.05.20	(445,842)	(32,019)	Specialist Singaporean Managing General Agency
Dempsey Group Limited[2]	30.00	-	-	-	Holding company for specialist Managing General Agency
The Fiducia MGA Company Limited	35.18	31.12.22	(165,860)	772,640	Specialist UK Marine Cargo Underwriting Agency
LEBC Holdings Limited	59.34	30.09.22	7,614,550	2,431,313	Independent financial advisor company
Lilley Plummer Holdings Limited	30.00	31.12.22	1,518,455	1,191,783	Specialist Marine broker
Neutral Bay Investments Limited	49.90	31.03.23	4,054,833	218,553	Investment holding company
New Denison Limited[3]	40.00	-	-	-	Dormant company
Paladin Holdings Limited	43.75	31.12.22	1,216,736	1,463,890	Investment holding company
Pantheon Specialty Group Limited[4]	25.00	-	-	-	Holding company for specialist insurance broker
Sage Program Underwriters Inc[5]	30.00	31.12.23	(12,151)	48,267	Specialist Managing General Agency
Stewart Specialty Risk Underwriting Limited	30.00	31.12.22	5,625,734	3,525,742	Specialist Canadian Casualty Underwriting Agency
Verve Risk Services Limited[6]	35.00	-	-	-	Specialist Managing General Agency
XPT Group LLC	29.10	31.12.22	(15,816,546)	(13,034,338)	USA Specialty lines insurance distribution company

[1]Recent statutory financial information is not available for Criterion Underwriting Pte Limited as the company is not currently trading.

[2]Dempsey Group Limited is a newly incorporated company. Statutory accounts are not available as these are not yet due.

[3]New Denison Limited is a newly incorporated company that is not currently trading. Statutory accounts are not available as these are not yet due.

[4]Pantheon Specialty Group Limited is a newly incorporated company. Statutory accounts are not available as these are not yet due.

[5]Statutory accounts are not available for Sage Program Underwriters, Inc. as these are not required to be filed in the jurisdiction in which the company operates. The financial information included above is therefore based upon management accounts information received for the relevant accounting period.

[6]Verve Risk Services Limited is a newly incorporated company. Statutory accounts are not available as these are not yet due.

The Group's 35% equity investment in EC3 Brokers Group Limited has not been listed above as the company went into administration in November 2022 and remained in administration as at 31st January 2024. The Group does not expect to recover any amounts in respect of this investment which has been provided against in full.

The aggregate capital and reserves and profit/(loss) for the year shown above are extracted from the relevant local GAAP accounts of the investee companies.

Company	Shares in group undertakings £'000
At valuation	
At 1st February 2022	134,490

Additions	-
Unrealised gains in this period	23,843
At 31st January 2023	£ 158,333
At 1st February 2023	158,333
Additions	-
Unrealised gains in this period	32,527
At 31st January 2024	£ 190,860

At cost

At 1st February 2022	2,143
Additions	-
At 31st January 2023	£ 2,143
At 1st February 2023	2,143
Additions	-
At 31st January 2024	£ 2,143

Shares in group undertakings

All group undertakings are registered in England and Wales. The details and results of group undertakings held throughout the year, which are extracted from the UK-adopted international accounting standards accounts of B.P. Marsh & Company Limited, Marsh Insurance Holdings Limited, B.P. Marsh Asset Management Limited, B.P. Marsh (North America) Limited and the UK GAAP accounts for the other companies, are as follows:

Name of company	% Holding of share Capital	Aggregate capital and reserves at 31st January 2024 £	Profit/(loss) for the year to 31st January 2024 £	Principal activity
B.P. Marsh & Company Limited	100	229,168,734	42,529,133	Consulting services and investment holding company
Marsh Insurance Holdings Limited	100	6,099,974	-	Investment holding company - dormant
B.P. Marsh Asset Management Limited	100	1	-	Dormant
B.P. Marsh (North America) Limited*	100	16,646,090	1,655,105	Investment holding company
B.P. Marsh & Co. Trustee Company Limited	100	1,000	-	Dormant
Marsh Development Capital Limited	100	1	-	Dormant
XPT London Limited	100	2	-	Dormant

*At the year end B.P. Marsh (North America) Limited held a 100% economic interest in RHS Midco I LLC, a US registered entity incorporated during the year to 31st January 2018 for the purpose of holding the Group's equity investment in XPT Group LLC. In addition, at the year end B.P. Marsh (North America) Limited also held a 100% economic interest in B.P. Marsh US LLC, a US registered entity, which was incorporated during the year to 31st January 2018. There were no profit or loss transactions in either of these two US registered entities during the current or prior year.

In addition, the Group also controls the B.P. Marsh SIP Trust and the B.P. Marsh Employees' Share Trust (Note 24).

Loans to the subsidiaries of £38,382,626 (2023: £31,274,143) are treated as capital contributions.

13. CURRENT INVESTMENTS - TREASURY PORTFOLIO

Group

At valuation	2024 £'000	2023 £'000
Market value at 1st February	11,337	-
Additions at cost	64,000	19,117
Disposals	(48,430)	(7,867)
Change in value in the year	618	87
Market value at 31st January	£27,525	£11,337

Disclosed as:

Disclosed as:

Cash and cash equivalents	27,447	10,746
Investments - treasury portfolio	78	591
Total	£27,525	£11,337

Investment fund split:

GAM London Limited	7,175	3,045
Rathbone Investment Management Limited	10,310	8,292
Rothschild & Co Wealth Management UK Limited	10,040	-
Total	£27,525	£11,337

The treasury portfolio comprises of investment funds managed and valued by the Group's investment managers, GAM London Limited, Rathbone Investment Management Limited and Rothschild & Co Wealth Management UK Limited. All investments in securities are included at year end market value.

The initial investment into the funds was made following the realisation of the Group's investment in Summa Insurance Brokerage, S.L. during the prior year. Further funds have been invested following the sale of Kentro Capital Limited during the current year.

The purpose of the funds is to hold (and grow) the Group's surplus cash until such time that suitable investment opportunities arise.

As at 31st January 2024, of the total £27,525,222 held within the funds (as at 31st January 2023: £11,336,879), only £78,462 (31st January 2023: £590,897) was risk bearing, with the remaining funds of £27,446,760 (31st January 2023: £10,745,982) being non-risk interest bearing deposits.

The risk bearing fund values can increase, but also have the potential to fall below the amount initially invested by the Group. However, the performance of each fund is monitored on a regular basis and the appropriate action is taken if there is a prolonged period of poor performance.

Investment management costs of £15,569 (2023: £40,737) were charged to the Consolidated Statement of Comprehensive Income during the period.

14. REALISED (LOSSES) / GAINS ON DISPOSAL OF EQUITY INVESTMENTS

The realised (losses) / gains on disposal of investments for the year comprises of a net loss of £(36,689) (2023: £155,121 net gains on disposal of investments).

£132,000 of this net loss is in respect of the Group's disposal of its entire 40% equity investment in Denison and Partners Limited ("Denison and Partners") for nil cash consideration, compared to the fair value of £132,000 at 1st February 2023 (Note 12). On 9th September 2023 Denison and Partners formally changed its company name to Pantheon Specialty Limited.

The above realised loss arising from the disposal of Denison and Partners has been offset by the following realised gains:

A £4,000 realised gain relating to the Group's partial disposal of 250,000 ordinary shares (c.5.9% at the time of divestment) in Paladin Holdings Limited ("Paladin") which were held under a call option arrangement, for consideration of £804,000, compared to the fair value of £800,000 at 1st February 2023.

A £91,311 realised gain relating to an additional capital distribution recognised during the year from the Group's former investment in Summa Insurance Brokerage, S.L. ("Summa") which was sold during the year to 31st January 2022.

There were no releases of previously unrealised gains or losses to Retained Earnings from the Fair Value Reserve as a result of the disposal of Denison and Partners and partial disposal of Paladin as the investments had been held at cost.

The amount included in realised gains on disposal of investments for the year ended 31st January 2023 comprised of a net gain of £155,121.

£135,283 of this net gain related to an additional capital distribution received during the year from the Group's former investment in MB Prestige Holdings PTY Limited ("MB") which was sold during the year to 31st January 2022.

£19,838 of this net gain was in respect of the Group's disposal of its entire 77.25% investment in Summa Insurance Brokerage, S.L. ("Summa") for consideration of £8,123,838, compared to the fair value of £8,104,000 at 1st February 2022. The disposal of Summa resulted in a net release of previously unrealised gains to Retained Earnings from the Fair Value Reserve of £2,007,857 in that year.

Refer to Note 12 for further details relating to the above disposals.

15. LOANS AND RECEIVABLES - NON-CURRENT

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000

Loans to investee companies (Note 25)	16,197	8,120	-	-
Amounts owed by group undertakings	-	-	2,948	4,106
	£ 16,197	£ 8,120	£ 2,948	£ 4,106

The amounts owed to the Company by group undertakings are interest free and repayable on demand.

See Note 16 for the provisions against loans to investee companies and Note 25 for terms of the loans.

16. TRADE AND OTHER RECEIVABLES - CURRENT

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade receivables	1,040	319	-	-
Less provision for impairment of receivables	-	-	-	-
	1,040	319	-	-
Loans to investee companies (Note 25)	12,706	3,409	-	-
Other receivables	1	6	-	-
Prepayments and accrued income	1,886	1,549	-	-
Amounts owed by group undertakings	-	-	1,157	-
	£ 15,633	£ 5,283	£ 1,157	£ -

No provisions were made against loans to investee companies in the current or prior year. A provision of £24,000 previously made against a loan was released during the current year due to repayments being received (2023: a provision of £30,000 previously made against a loan was released during that year due to repayments being received). The total provision as at 31st January 2024 was £107,718 (31st January 2023: £131,718) with a potential of recovery.

Included within net trade receivables is a gross amount of £922,989 (2023: £247,475) owed by the Group's participating interests. No provision for bad debts has been made in either the current or prior year.

Trade receivables are provided for based on estimated irrecoverable amounts from the fees and interest charged to investee companies, determined by the Group's management based on prior experience and their assessment of the current economic environment.

Movement in the allowance for doubtful debts:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Balance at 1st February	-	-	-	-
Decrease in allowance recognised in the Statement of Comprehensive Income	-	-	-	-
Balance at 31st January	£ -	£ -	£ -	£ -

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The Group's net trade receivable balance includes debtors with a carrying amount of £1,039,891 (2023: £318,999), of which £485,086 (2023: £146,543) of debtors are past due at the reporting date for which the Group has not made a provision as all amounts are considered recoverable by the directors. The Group does not hold any collateral over these balances other than over £244,160 (2023: £54,823) included within the net trade receivables balance relating to loan interest due from investee companies which is secured on the assets of the investee company.

Ageing of past due but not impaired:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Not past due	555	172	-	-
Past due: 0 - 30 days	43	59	-	-
Past due: 31 - 60 days	283	2	-	-
Past due: more than 60 days	159	86	-	-
	£ 1,040	£ 319	£ -	£ -

See Note 25 for terms of the loans and Note 23 for further credit risk information.

17. DEFERRED TAX LIABILITIES - NON-CURRENT

	Group	Company

	£'000	£'000
At 1st February 2022	1,898	-
Tax movement relating to investment revaluation for the year (Note 9)	3,733	-
At 31st January 2023	£ 5,631	£ -
At 1st February 2023	5,631	-
Tax movement relating to investment revaluation for the year (Note 9)	1,056	-
At 31st January 2024	£ 6,687	£ -

Finance (No.2) Act 2017 introduced significant changes to the Substantial Shareholding Exemption ("SSE") rules in Taxation of Chargeable Gains Act 1992 Sch. 7AC which applied to share disposals on or after 1 April 2017. In general terms, the rule changes relaxed the conditions for the Group to qualify for SSE on a share disposal.

New tax legislation was introduced in the US in 2018 which taxes at source gains on disposal of any foreign partnership interests in US limited liability companies ("LLCs"). As such, deferred tax needs to be assessed on any potential net gains from the Group's investment interests in US LLCs.

Having reviewed the Group's current investment portfolio, the directors consider that the Group should benefit from this reform to the SSE rules on all non-US LLC investments. As a result, the directors anticipate that on a disposal of shares in the Group's current non-US LLC investments, so long as the shares have been held for 12 months they should qualify for SSE and no tax charge should arise on their disposal.

The requirement for a deferred tax provision is subject to continual assessment of each investment to test whether the SSE conditions continue to be met based upon information that is available to the Group and that there is no change to the accounting treatment in this regard under UK-adopted international accounting standards. It should also be noted that, until the date of the actual disposal, it will not be possible to ascertain if all the SSE conditions are likely to have been met and, moreover, obtaining agreement of the tax position with HM Revenue & Customs may possibly not be forthcoming until several years after the end of a period of accounts.

Having assessed the current US portfolio, the directors anticipate that there is a requirement to provide for deferred tax in respect of the unrealised gains on investments under the current requirements of UK-adopted international accounting standards as the US LLC investments currently show a net gain. As such, a provision of £6,687,000 has been made as at 31st January 2024 (2023: £5,631,000).

The deferred tax provision of £6,687,000 as at 31st January 2024 (2023: £5,631,000) has been calculated based upon an assessment of the US tax liability arising from the valuations of the Group's holdings within US LLCs at 31st January 2024, using the US Federal rate of 21% together with US State Tax rates prevailing in the states where the Group's US LLCs operate, which range between 0% and 11.5%. Adjustments were then made based upon available allowances and taxable losses. Given the complexity, the Group utilised the services of a specialist US tax advisory firm.

The UK corporation tax increased from 19% to 25% effective 1st April 2023. This change in tax rate has not had a material impact on the Group financial statements for the year ended 31st January 2024 and is not expected to have a material impact on future periods as the directors do not consider there is any deferred tax due at the period end in respect of its non-US LLC investments due to the SSE rules.

18. CURRENT LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade and other payables				
Trade payables	90	111	-	-
Other taxation & social security costs	142	239	-	-
Accruals and deferred income	1,561	1,336	-	-
Amounts owed to participating interests	50	50	-	-
Other payables	-	94	-	-
Lease liabilities (Note 21)	180	175	-	-
	£ 2,023	£ 2,005	£ -	£ -

All of the above liabilities are measured at amortised cost.

19. CALLED UP SHARE CAPITAL

	2024	2023
	£'000	£'000
Allotted, called up and fully paid		
37,288,000 Ordinary shares of 10p each (2023: 37,466,000)	3,729	3,747
	£ 3,729	£ 3,747

During the year the Company paid a total of £1,052,751, including commission, in order to repurchase 283,480 ordinary shares at an average price of 370 pence per share (2023: the Company paid a total of £16,191, including commission, in order to repurchase 4,850 ordinary shares at an average price of 330 pence per share).

pence per share).

Distributable reserves have been reduced by £1,052,751 (2023: £16,191) as a result.

On 9th December 2023 178,000 ordinary shares in the Company were cancelled. These shares were previously held in Treasury. Following the cancellation, the total number of ordinary shares in issue reduced from 37,466,000 as at 31st January 2023 to 37,288,000 as at 31st January 2024.

As at 31st January 2024 a total of 77,550 ordinary shares were held by the Company in Treasury (31st January 2023: 4,850 ordinary shares were held by the Company in Treasury).

The Treasury shares do not have voting or dividend rights and have therefore been excluded for the purposes of calculating earnings per share and Net Asset Value per share.

The repurchase of the ordinary shares is borne from the Group's commitment to reduce share price discount to Net Asset Value. As outlined in the Group's Share Buy-Back Policy announcement on 16th January 2023, its policy has been throughout the year, subject to ordinary shares in the Company being available to purchase, to be able to buy small parcels of shares (for up to a maximum aggregate consideration of £1,000,000) at a price representing a discount of at least 20% to the most recently announced Net Asset Value per share and place them into Treasury. Prior to 16th January 2023, and in accordance with its Share Buy-Back Policy announcement on 17th July 2019, the Group's policy was to buy back shares when the share price was below 15% of its published Net Asset Value.

On 14th November 2023 the Group announced a new Share Buy-Back Programme allowing it to repurchase ordinary shares in the Company for up to a maximum aggregate consideration of £500,000 and subject to ordinary shares being available to purchase at a price representing a discount of at least 20% to the most recently announced Net Asset Value per share.

20. STATEMENT OF CHANGES IN EQUITY

Group	Share capital £'000	Share premium account £'000	Fair value reserve £'000	Reverse acquisition reserve £'000	Capital redemption reserve £'000	Capital contribution reserve £'000	Retained earnings £'000	Total £'000
At 1st February 2022	3,747	29,342	84,975	393	7	72	48,071	166,607
Comprehensive income for the year	-	-	23,542	-	-	-	301	23,843
Net transfers on disposal of investments (Note 14)	-	-	(2,008)	-	-	-	2,008	-
Dividends paid (Note 7)	-	-	-	-	-	-	(1,001)	(1,001)
Repurchase of Company shares (Note 19)	-	-	-	-	-	-	(16)	(16)
Share based payment arrangements	-	8	-	-	-	-	96	104
At 31st January 2023	£3,747	£29,350	£106,509	£393	£7	£72	£49,459	£189,537
At 1st February 2023	3,747	29,350	106,509	393	7	72	49,459	189,537
Comprehensive income for the year	-	-	42,654	-	-	-	(125)	42,529
Net transfers on disposal of investments (Note 12)	-	-	(36,395)	-	-	-	36,395	-
Dividends paid (Note 7)	-	-	-	-	-	-	(2,028)	(2,028)
Repurchase of Company shares (Note 19)	-	-	-	-	-	-	(1,053)	(1,053)
Cancellation of Company shares (Note 19)	(18)	-	-	-	18	-	-	-
Share based payment arrangements	-	(5)	-	-	-	-	191	186
At 31st January 2024	£3,729	£29,345	£112,768	£393	£25	£72	£82,839	£229,171

Company		Share		Capital	Capital		

	Share capital £'000	premium account £'000	Fair value reserve £'000	redemption reserve £'000	contribution reserve £'000	Retained earnings £'000	Total £'000
At 1st February 2022	3,747	29,342	132,347	7	-	5,348	170,791
Comprehensive income for the year	-	-	23,843	-	-	-	23,843
Dividends paid (Note 7)	-	-	-	-	-	(1,001)	(1,001)
Repurchase of Company shares (Note 19)	-	-	-	-	-	(16)	(16)
Share based payment arrangements	-	8	-	-	-	96	104
At 31st January 2023	£3,747	£29,350	£156,190	£7	£ -	£4,427	£193,721
At 1st February 2023	3,747	29,350	156,190	7	-	4,427	193,721
Comprehensive income for the year	-	-	32,527	-	-	10,002	42,529
Dividends paid (Note 7)	-	-	-	-	-	(2,028)	(2,028)
Repurchase of Company shares (Note 19)	-	-	-	-	-	(1,053)	(1,053)
Cancellation of Company shares (Note 19)	(18)	-	-	18	-	-	-
Share based payment arrangements	-	(5)	-	-	-	191	186
At 31st January 2024	£3,729	£29,345	£188,717	£25	£ -	£11,539	£233,355

21. LEASES

Group

The Group has applied IFRS 16: Leases ("IFRS 16") using the retrospective approach. The Group has one lease, that of its main office premises. Information about this lease, for which the Group is a lessee, is presented below.

Right-of-use asset

	Land and Buildings £'000
At 1st February 2022	836
Depreciation charge	(165)
At 31st January 2023	£ 671
At 1st February 2023	671
Depreciation charge	(164)
At 31st January 2024	£ 507

Lease liabilities

The Group was committed to making the following future aggregate minimum payments under its leases:

	2024 Land and Buildings £'000	2023 Land and Buildings £'000

Maturity analysis - contractual undiscounted cash flows:

Earlier than one year	214	214
Between two and five years	444	658
More than five years	-	-
	£ 658	£ 872

Lease liabilities included in Consolidated Statement of Financial Position at 31st January:	£ 596	£ 771
Maturity analysis:		
Current liabilities (Note 18)	180	175
Non-current liabilities	416	596
	£ 596	£ 771

Amounts recognised in profit or loss:	2024 £'000	2023 £'000
Interest on lease liabilities (Note 3)	£ 39	£ 47

Amounts recognised in the Consolidated Statement of Cash Flows:	2024 £'000	2023 £'000
Total cash outflow for leases	£ (214)	£ (214)

Company

There are no right-of-use assets or associated lease liabilities recognised in the Company's Statement of Financial Position.

22. LOAN AND EQUITY COMMITMENTS

On 26th June 2020 (as amended on 1st June 2023) the Group entered into an agreement to provide Sage Program Underwriters, Inc. with a loan facility of USD 300,000. As at 31st January 2024 USD 150,000 had been drawn down, leaving a remaining undrawn facility of USD 150,000. Any drawdown is subject to satisfying certain agreed criteria.

On 9th August 2023 the Group entered into an agreement to provide LEBC Holdings Limited with a further loan facility of £600,000 in addition to the existing loans outstanding of £3,000,000 at 31st January 2023 (agreed in prior years). £300,000 of the loan facility was drawn down on completion and as at 31st January 2024 total loans outstanding amounted to £3,300,000, leaving a remaining undrawn facility of £300,000.

On 21st December 2023 the Group entered into an agreement to provide Dempsey Group Limited with a loan facility of £1,570,000. £500,000 was drawn down on completion and was outstanding as at 31st January 2024, leaving a remaining undrawn facility of £1,070,000.

Please refer to Note 26 for details of equity payments made together with loan facilities offered and amounts drawn down after the year end.

23. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise loans to participating interests, cash and liquid resources and various other items, such as trade debtors, trade creditors, other debtors and creditors and loans. These arise directly from the Group's operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken unless there are economic reasons for doing so, as determined by the directors.

The main risks arising from the Group's financial instruments are price risk, credit risk, liquidity risk, interest rate risk, currency risk, new investment risk, concentration risk, geopolitical risk and conflict risk and the wider issues arising from it. The Board reviews and agrees policies for managing each of these risks and they are summarised in the Group Strategic Report under "Financial Risk Management".

Interest rate profile

The Group has cash and cash equivalent balances of £40,435,000 (2023: £11,564,000), which are part of the financing arrangements of the Group. The cash and cash equivalent balances comprise bank current accounts and deposits placed at investment rates of interest, which ranged up to 5.25% p.a. in the period (2023: deposit rates of interest ranged up to 2.65% p.a.). During the year all cash and cash equivalent balances were held in immediate access accounts or on short term deposits of up to 1 month (2023: all cash balances were held in immediate access accounts or on short-term deposits of up to 14 days).

Currency hedging

During the year the Group engaged in two currency hedging transactions of USD 1,075,000 and AUD 600,000 (2023: two currency hedging transactions of €11,500,000 and USD 1,075,000) to mitigate the exchange rate risk for certain foreign currency receivables. These were settled before the year end. A net gain of £30,049 (2023: net loss of £74,547) relating to these hedging transactions was recognised under Exchange Movements within the Consolidated Statement of Comprehensive Income when the transactions were settled. As at the year end the Group had two currency hedging transactions amounting to USD 3,075,000 and AUD 600,000 which were entered into on 30th January 2024. The fair values of these hedges are not materially different to the transaction costs.

Financial liabilities

The Company had no borrowings as at 31st January 2024 (2023: no borrowings).

Fair values

The Group has adopted the amendment to IFRS 7 for financial instruments which are measured at fair value at the reporting date. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices unadjusted in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, observed either directly as prices or indirectly from prices; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

Unquoted equity instruments are measured in accordance with the IPEVCV Guidelines with reference to the most appropriate information available at the time of measurement. Further information regarding the valuation of unquoted equity instruments can be found in the section 'Investments - equity portfolio' under the Accounting Policies (Note 1).

The following presents the classification of the financial instruments at fair value into the valuation hierarchy at 31st January 2024:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equity portfolio investments designated as "fair value through profit or loss" assets	-	-	165,382	165,382
	-	-	£ 165,382	£ 165,382

The Group's classification of the financial instruments at fair value into the valuation hierarchy at 31st January 2023 are presented as follows:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Equity portfolio investments designated as "fair value through profit or loss" assets	-	-	171,461	171,461
	-	-	£ 171,461	£ 171,461

Level 3 inputs are sensitive to assumptions made when ascertaining fair value. Setting the valuation policy is the responsibility of the Valuations Committee, which is then reviewed by the Board. The policy is to value investments within the portfolio at fair value by applying a consistent approach and ensuring that the valuation methodology is compliant with the IPEVCV Guidelines. Valuations of the investment portfolio of the Group are performed twice a year, and the half-year valuations are subjected to the same level of scrutiny and approach as the audited final year accounts by the Valuations Committee.

Of assets held at 31st January 2024 classified as Level 3, 41% by value (2023: 66%) were valued using a multiple of earnings and 59% (2023: 34%) were valued using alternative valuation methodologies.

Valuation multiple - the valuation multiple is the main assumption applied to a multiple of earnings based valuation. The multiple is derived from comparable listed companies or relevant market transaction multiples. Companies in the same industry and geography and, where possible, with a similar business model and profile are selected and then adjusted for factors including size, growth potential and relative performance. A discount is applied or a reduced multiple used to reflect that the investment being valued is unquoted. The multiple is then applied to the earnings, which may be adjusted to eliminate one-off revenues or costs to better reflect the ongoing position, or to adjust for any minority interests. The resulting value is the enterprise value of the investment, after which certain adjustments are made to calculate the equity value. These adjustments may include debt, working capital requirements, regulatory capital requirements, deferred consideration payable, or anything that could be dilutive which is quantifiable. The Group's investment valuation is then derived from this based upon its shareholding.

The weighted average post discount EBITDA earnings multiple used (based on the valuations derived) when valuing the portfolio at 31st January 2024 was 11.4x (2023: 13.8x).

If the multiple used to value each unquoted investment valued on an earnings basis as at 31st January 2024 moved by 10%, this would have an impact on the investment portfolio of £8.5m (2023: £13.8m) or 5.1% (2023: 8.1%).

Alternative valuation methodologies - there are a number of alternative investment valuation methodologies used by the Group, for reasons for specific types of investment. These may include valuing on the basis of an imminent sale where a price has been agreed but the transaction has not yet completed, using a discounted cash flow model, at cost, using specific industry metrics which are common to that industry and comparable market transactions have occurred, and a multiple of revenues where the investments are not yet profitable.

At 31st January 2024 the proportion of the investment portfolio that was valued using these techniques were: 27% using industry metric (2023: 25%), 32% using forecast cash flow (2023: 9.3%) and 0.02% at cost (2023: 0.1%).

If the value of all the investments valued under alternative methodologies moved by 10%, this would have an impact on the investment portfolio of £4.2m (2023: £4.1m) or 2.6% (2023: 2.4%).

24. SHARE BASED PAYMENT ARRANGEMENTS

Joint Share Ownership Plan

During the year to 31st January 2019, B.P. Marsh & Partners Plc entered into joint share ownership agreements ("JSOAs") with certain employees and directors.

On 12th June 2018 1,461,302 new 10p Ordinary shares in the Company were issued and transferred into joint beneficial ownership for 12 employees (including 4 directors) under the terms of joint share ownership agreements. No consideration was paid by the employees for their interests in the jointly-owned shares.

The new Ordinary shares were issued into the name of RBC cees Trustee Limited ("the Trustee") as trustee of the B.P. Marsh Employees' Share Trust ("the Employee Benefit Trust") at a subscription price of 281 pence per share, being the mid-market closing price on 12th June 2018. Following the acquisition of the Trustee by JTC Plc on 10th December 2020, the Trustee has since been rebranded to JTC Employer Solutions Trustee Limited.

The jointly-owned shares are beneficially owned by (i) each of the 9 currently participating employees and (ii) the trustee of the Employee Benefit Trust upon and subject to the terms of the JSOAs entered into between the participating employee, the Company and the Trustee.

Under the terms of the JSOAs, the employees and directors are entitled to receive on vesting the growth in value of the shares above a threshold price of 281 pence per share (market value at the date of grant) plus an annual carrying charge of 3.75% per annum (simple interest) to the market value at the date of grant to the date of vesting. The Employee Benefit Trust retains the carrying cost, with 281 pence per share due back to the Company.

On 12th June 2021 (the "vesting date") the performance criteria were met, after which the members of the scheme became joint beneficial owners of the shares and therefore became entitled to any gain on sale of the shares in excess of 312.6 pence per share. Alternatively, the participant and the Trustee may exchange their respective interests in the jointly-owned shares such that each becomes the sole owner of a number of Ordinary shares of equal value to their joint interests.

There were 254,414 shares where the performance criteria was not met on the vesting date that had been forfeited by departing employees and which remained unallocated within the Employee Benefit Trust as at 31st January 2022.

During the year to 31st January 2023, 18,155 of the 254,414 unallocated shares within the Employee Benefit Trust were transferred to the B.P. Marsh SIP Trust ("SIP Trust") to be used as part of the 22-23 SIP awards made in April 2022. Following this transfer and as at 31st January 2024 there were 1,443,147 shares held within the Employee Benefit Trust, of which there were 236,259 shares where the performance criteria was not met on the vesting date and which remained unallocated. The Employee Benefit Trust remains the owner of these unallocated shares and they do not have dividend and voting rights attached.

On 26th October 2023 following the removal of a dividend waiver and block on voting rights on the 1,206,888 allocated ordinary shares held by the Employee Benefit Trust, these ordinary shares became eligible for dividend and voting rights and therefore became fully dilutive for the Group.

Provided that the shares are eventually sold from the Employee Benefit Trust for at least 284.5 pence per share on average, the Group would be entitled to receive £4,106,259 in total.

Since 31st January 2024, 362,882 of the shares held within the Employee Benefit Trust have been sold, leaving 1,080,265 shares remaining within the Employee Benefit Trust, of which 236,259 are unallocated. Of the £4,106,259 receivable by the Group in total, £1,157,000 was received, leaving a balance outstanding of £2,949,259. As such, provided that the shares are eventually sold from the Employee Benefit Trust for at least 273.0p/share on average, the Group will receive this balance in full.

Share Incentive Plan

During the year to 31st January 2017 the Group established an HMRC approved Share Incentive Plan ("SIP").

During the year a total of 32,780 ordinary shares in the Company, of which 4,850 were held in Treasury as at 31st January 2023 and 27,930 were from shares bought back into Treasury during the current year (2023: 9,542 ordinary shares in the Company, which were held in Treasury as at 31st January 2022) were transferred to the B.P. Marsh SIP Trust ("SIP Trust"). As a result, a total of 32,780 ordinary shares in the Company were available for allocation to the participants of the SIP (2023: 31,801 ordinary shares were available for allocation, including 4,104 unallocated ordinary shares already held within the SIP Trust as at 31st January 2022 and 18,155 unallocated ordinary shares transferred from the Employee Benefit Trust to the SIP Trust in April 2022).

On 14th April 2023, a total of 11 eligible employees (including 3 executive directors of the Company) applied for the 23-24 SIP and were each granted 1,192 ordinary shares ("23-24 Free Shares"), representing approximately £3,600 at the price of issue.

Additionally, on the same date, all eligible employees were also invited to take up the opportunity to acquire up to £1,800 worth of ordinary shares ("Partnership Shares"). For every Partnership Share that an employee acquired, the SIP Trust offered two ordinary shares in the Company ("Matching Shares") up to a total of £3,600 worth of shares. All 11 eligible employees (including 3 executive directors of the Company) took up the offer and acquired the full £1,800 worth of Partnership Shares (596 ordinary shares) and were therefore awarded 1,192 Matching Shares.

The 23-24 Free and Matching Shares are subject to a 1 year forfeiture period

The 23-24 Free and Matching Shares are subject to a 1 year forfeiture period.

A total of 32,780 (2023: 31,801) Free, Matching and Partnership Shares were granted to the 11 (2023: 11) eligible employees during the year, including 8,940 (2023: 8,673) granted to 3 (2023: 3) executive directors of the Company.

No ordinary shares were withdrawn from the SIP Trust during the year (2023: no withdrawals).

£77,492 of the IFRS 2 charges (2023: £84,714) associated with the award of the SIP shares to 11 (2023: 11) eligible directors and employees of the Company has been recognised in the Statement of Comprehensive Income as employment expenses (Note 5).

As at 31st January 2024, and after adjusting for a total of 19,951 ordinary shares withdrawn from the SIP Trust by employees on departure and 6,842 ordinary shares forfeited on departure (since inception), a total of 295,609 Free, Matching and Partnership Shares had been granted to 11 eligible employees under the SIP, including 96,192 granted to 3 executive directors of the Company.

The results of the SIP Trust have been fully consolidated within these financial statements on the basis that the SIP Trust is effectively controlled by the Company.

Share Option Plan

On 6th September 2023 the Group established a new employee Share Option Plan ("SOP").

On 17th October 2023 Share Options ("Options") over 1,682,500 ordinary shares of 10p each in the Company, in aggregate, were granted to 12 employees, including 3 executive directors of the Company.

The total number of Options available for allocation amounted to 1,685,970, which represented 4.5% of the Company's total ordinary shares in issue at the time the SOP was adopted. 3,470 Options remain unallocated as at 31st January 2024.

Each of the Options will vest, on a ratchet basis, subject to certain Net Asset Value growth targets being achieved for the three consecutive financial years ending 31st January 2024, 31st January 2025 and 31st January 2026 ("Performance Period"). The first exercise date is 6th September 2026 whereby 50% of vested Options will be exercisable at 10p per share, with the remaining 50% exercisable at 10p per share from 6th September 2027.

The number of Options which vest will vary depending on the level of Net Asset Value growth achieved, subject to the growth performance criteria as set out below, alongside the percentage of Options that will vest at each value:

Compounded annual growth of Net Asset Value over the Performance Period	**% vesting of Options**
Less than 8.5%	0%
Between 8.5% and less than 9.25%	25%
Between 9.25% and less than 10%	50%
10% or above	100%

For these purposes, Net Asset Value is defined as "audited Total Assets less Total Liabilities for the consolidated Group plus any dividends or other form of shareholder return that are paid in the relevant Financial Year".

Therefore, for all Options to vest, the Net Asset Value (as defined above) would need to exceed £252.2m, adjusted for any shareholder distributions.

The details of the arrangements are described in the following table:

Nature of the arrangement	Share options
Form of option	Asian options
Type of option	Nominal-cost option
Date of grant	17th October 2023
Number of instruments granted	1,682,500
Exercise price (pence)	10.00
Share price (market value) at grant (pence)	354.22
Vesting period (years)	3 years
Vesting conditions	The recipient must remain an employee throughout the vesting period. The awards vest after 3 years or earlier resulting from either: a) a change of control resulting from a person, or another company, obtaining control of the Company either (i) as a result of a making a General Offer; (ii) pursuant to a court sanctioned Compromise or Scheme of Arrangement; or (iii) in consequence of a Compulsory Acquisition; or b) a person or another company becoming bound or entitled to acquire shares in the Company pursuant to sections 974 to 991 of the Companies Act 2006; or c) a winding up. In such circumstances, an Option may be exercised at any time

	during the period of six months following the date of the event. Any Option not exercised within this period shall lapse immediately upon the expiry of the six-month period. If a Participant ceases to be a Group Employee before the Vesting Date by reason of being a Good Leaver, the Pro-rated Portion of their Option shall be capable of vesting on the Cessation Date. If a Participant ceases to be a Group Employee by reason of being a Good Leaver after the Vesting Date but before the Exercise Date the Participant shall be entitled to exercise the vested Shares of such a vested Option at any time after the Exercise Date.
Performance period	The three consecutive financial years beginning 1st February 2023 (i.e. the three periods ending on 31st January 2026)
Net Asset Value at which Options vest	10% compound annual growth over the Performance Period, or an Net Asset Value threshold of £252.2m, adjusted for any shareholder distributions, with the percentage of Options vesting as follows: Compound Annual Growth achieved: Less than 8.5%: 0% vest Between 8.5% and less than 9.25%: 25% vest Between 9.25% and less than 10%: 50% vest 10% or above: 100% vest
Exercise period	50% of the vested options may be exercised immediately after the end of the Performance Period or 6th September 2026 (whichever is the latter) with the remaining 50% being capable of exercise after 6th September 2027
Expected volatility	19% annual volatility
Risk free rate	5%
Expected annual dividends (pence)	2.78
Settlement	Cash settled on sale of shares
% expected to vest (based upon leavers)	80%
Number expected to vest	1,346,000
Valuation model	Monte Carlo techniques using the assumptions of Geometric Brownian Motion
Fair value per granted instrument (pence)	75.24
Charge for year ended 31st January 2024	£89,437

£89,437 of the IFRS 2 charges (2023: N/A) associated with the grant of the SOP options to 12 (2023: N/A) eligible directors and employees of the Company has been recognised in the Statement of Comprehensive Income as employment expenses.

25. RELATED PARTY DISCLOSURES

The following loans owed by the investee companies (including their subsidiaries and other related entities) of the Company and its subsidiaries were outstanding at the year end:

	2024	2023
	£	£
Alchemy Underwriting Limited	6,000,000	-
Dempsey Group Limited	500,000	-
The Fiducia MGA Company Limited	1,481,000	2,224,500
LEBC Holdings Limited	3,300,000	3,000,000
Lilley Plummer Holdings Limited	-	300,000
Paladin Holdings Limited	5,900,500	3,096,500
Pantheon Specialty Group Limited	4,536,000	-
Pantheon Specialty Limited (formerly Denison and Partners Limited)	670,000	500,000
Verve Risk Services Limited	569,209	-
	AUD	AUD
Agri Services Company PTY Limited	1,200,000	1,200,000
	USD	USD
XPT Group LLC	6,000,000	2,000,000
Sage Program Underwriters, Inc.	150,000	150,000
	SGD	SGD
Criterion Underwriting Pte Limited	120,000	120,000

The loans are typically secured on the assets of the investee companies and an appropriate interest rate is charged based upon the risk profile of that company.

On completion of the Group's disposal of its investment in Kentro Capital Limited on 9th October 2023, and as part of the agreement to sell this investment, the Group provided a loan facility of £524,253 to Brown & Brown (Europe) Holdco Limited, alongside other major selling shareholders, in respect of certain identified indemnities under the Sale and Purchase Agreement. Whilst the loan capital could reduce due to potential claims, at this time the Group expects full repayment (Refer to Note 12 for further details).

The loans of £425,831 to Bastion Reinsurance Brokerage (PTY) Limited (2023: £425,831), £665,000 to Bulwark Investment Holdings (PTY) Limited (2023: £665,000) and £1,450,778 to Property and Liability Underwriting Managers (PTY) Limited (2023: £1,450,778) have been written off as these businesses are in the process of being dissolved with no expectation of recovery.

Income receivable, consisting of consultancy fees, interest on loans and dividends recognised in the Consolidated Statement of Comprehensive Income in respect of the investee companies (including their subsidiaries and other related entities) of the Company and its subsidiaries for the year were as follows:

	2024 £	2023 £
Agri Services Company PTY Limited	190,685	205,902
Alchemy Underwriting Limited	254,110	-
Asia Reinsurance Brokers Pte Limited	17,702	(82,535)
ATC Insurance Solutions PTY Limited	457,722	617,223
Brown & Brown (Europe) Holdco Limited	5,399	-
Dempsey Group Limited	87,505	-
EC3 Brokers Group Limited	-	35,555
The Fiducia MGA Company Limited	192,946	196,366
Kentro Capital Limited	637,709	1,176,956
LEBC Holdings Limited	854,337	586,787
Lilley Plummer Holdings Limited	441,643	115,434
Neutral Bay Investments Limited	118,508	130,665
Paladin Holdings Limited	1,208,851	527,907
Pantheon Specialty Group Limited	180,292	-
Pantheon Specialty Limited (formerly Denison and Partners Limited)	85,926	93,624
Sage Program Underwriters, Inc.	51,813	47,776
Stewart Specialty Risk Underwriting Limited	674,610	356,384
Summa Insurance Brokerage, S.L.	-	10,564
Verve Risk Services Limited	132,166	-
XPT Group LLC	1,828,713	856,734

In addition, the Group made management charges of £39,000 (2023: £36,000) to the Marsh Christian Trust ("the Trust"), a grant making charitable Trust, of which Brian Marsh, the Executive Chairman and a significant shareholder of the Company, is also the Trustee and Settlor.

The Group also made management charges of £8,000 (2023: £7,700) to Brian Marsh Enterprises Limited ("BME"). Brian Marsh, the Chairman and a significant shareholder of the Company is also the Chairman and majority shareholder of BME.

All the above transactions were conducted on an arms-length basis.

Of the total dividend payments made during the year of £2,028,206, £857,193 was paid to the directors or parties related to them (2023: total dividend payments of £1,001,435, of which £443,507 was paid to the directors or parties related to them).

26. EVENTS AFTER THE REPORTING DATE

Group

On 22nd March 2024 the Group completed the disposal of its entire 38.63% holding in Paladin Holdings Limited ("Paladin") to Specialist Risk Group Limited ("SRG"), following receipt of regulatory approval. On completion, the Group received £42,075,838 in initial cash consideration, net of transaction costs, plus repayment in full of its £5,900,500 loans to Paladin. The initial cash proceeds received represented an overall gain of £42,072,338 above the net cost of investment. As well as the initial consideration, the Group will also be entitled to receive its proportion of any net working capital adjustment, expected to be finalised within three months of completion. The Group will then be entitled to receive deferred consideration of up to £17,800,000 in cash, based upon 20% EBITDA growth targets above Paladin's actual adjusted EBITDA for 2023, in FY24 and FY25, payable in 2025 and 2026. There is also the possibility for the Group to receive further consideration in FY25 should Paladin outperform these growth targets.

On 27th March 2024 the Group acquired a 30% cumulative preferred ordinary equity stake in Devonshire UW Limited ("Devonshire") via a holding company, Devonshire UW Topco Limited, for consideration of £300,000. Devonshire is a London-based Underwriting Agency specialising in transactional risks, including Warranty & Indemnity, Specific Tax and Legal Contingency Insurance, with the ability to underwrite transactions in the UK, Europe, Middle East, Africa, Asia, South America, Central America and Australasia. The Group also provided Devonshire with a loan facility of £1,600,000, of which £390,125 was drawn down on completion, a further £300,000 on 29th May 2024, with a remaining undrawn facility of £909,875 at the date of this report.

As at 31st January 2024 the Group had provided loans of £500,000 from a total loan facility of £1,570,000 to Ai Marine Risk Limited, via its holding company Dempsey Group Limited. On 10th April 2024 a further £250,000 was drawn down. Total loans stand at £750,000, with a remaining undrawn facility of £820,000 at the date of this report.

On 16th April 2024, further to the agreement entered into on 10th November 2023 and receipt of regulatory approval, LEBC Holdings Limited ("LEBC") completed the sale of 100% of Aspira Corporate Solutions

Limited ("Aspira"), a wholly-owned subsidiary of LEBC, to Titan Wealth Holdings Limited ("Titan Wealth"). On the same date, the Group received full repayment of its £3,300,000 loans that were outstanding as at 31st January 2024.

On 17th April 2024, the Group acquired a further 2.52% ordinary equity holding in LEBC for consideration of £1,100,000. On completion the ordinary shares were immediately converted into preferred shares. The transaction increased the Group's holding in LEBC from 59.34% as at 31st January 2024 to 61.86% at the date of this report.

On 2nd May 2024 Pantheon Specialty Group Limited ("Pantheon") repaid £1,000,000 of its outstanding loan balance to the Group. A further repayment of £536,000 was received on 21st May 2024. As at 31st January 2024 £4,536,000 of loans were outstanding and following the aforementioned repayments total loans stand at £3,000,000 at the date of this report.

On 9th May 2024 the Group acquired a further 7% cumulative preferred ordinary equity stake in Pantheon for consideration of £7,300,000 increasing its equity holding from 25% as at 31st January 2024 to 32% as at the date of this report. There is a potential for the Group's equity holding to increase by a further 5% if certain EBITDA targets are not achieved by 2025.

On 13th May 2024 the Group acquired, through its wholly-owned subsidiary company B.P. Marsh (North America) Limited, a further 0.95% equity stake in XPT Group LLC ("XPT") for USD 1,000,787 (£800,073) as part of a pre-emption share offer. Following this investment, and the uptake of other shareholder's pre-emptive rights, the Group's fully diluted shareholding in XPT reduced from 29.10% as at 31st January 2024 to 28.91% at the date of this report.

Company

On 2nd May 2024 the Company received a repayment of £1,157,000 in respect of a loan made to an Employee Benefit Trust relating to shares held under joint ownership (Note 24). As at 31st January 2024 the total loan balance outstanding to the Company from the Employee Benefit Trust amounted to £4,106,259 and following the aforementioned repayment, £2,949,259 was outstanding at the date of this report.

27. FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's operations expose it to a variety of financial risks. The Group manages the risk to limit the adverse effects on the financial performance of the Group by monitoring those risks and acting accordingly.

The monitoring of the financial risk management is the responsibility of the Board. The policies of the Board of directors are implemented by the Group's various internal departments under specific guidelines.

The Group is a selective investor and each investment is subject to an individual risk assessment through an investment approval process. The Group's Investment Committee is part of the overall risk management framework. The risk management processes of the Company are aligned with those of the Group and both the Group and the Company share the same financial risks.

Price risk

The Group is exposed to private equity securities price risk as it invests in unquoted companies. The Group manages the risk by ensuring that a director of the Group is appointed to the board of each investee company. In this capacity, the appointed director can advise the Group's Board of the investee companies' activities and prompt action can be taken to protect the value of the investment. Monthly management reports are required to be prepared by investee companies for the review of the appointed director and for reporting to the Group Board.

A 10% change in the fair value of those investments would have the following direct impact on the Consolidated Statement of Comprehensive Income:

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Fair value of investments - equity portfolio	165,382	171,461	190,860	158,333
Impact of a 10% change in fair value on Consolidated Statement of Comprehensive Income	16,538	17,146	19,086	15,833

Credit risk

The Group is subject to credit risk on its unquoted investments, cash and deposits. The maximum exposure is the amount stated in the Consolidated Statement of Financial Position.

The credit quality of unquoted investments, which are held at fair value and include debt and equity elements, is based on the financial performance of the individual portfolio companies. The credit risk relating to these assets is based on their enterprise value and is reflected through fair value movements.

The Group is exposed to the risk of default on the loans it has made available to investee companies. The loans rank in preference to the equity shareholding and the majority are secured by a charge over the assets of the investment. The Group manages the risk by ensuring that there is a director of the Group appointed to the board of each of its investee companies. In this capacity, the appointed director can advise the Group's board of investee companies' activities and prompt action can be taken to protect the value of the loan, such that the directors believe the credit risk to the Group is adequately managed. When a loan is assessed to be likely to be in default then the Group will review the probability of recoverability, and if necessary, make a provision for any amount considered irrecoverable.

The Group's cash is held with a variety of different counterparties with 100% (2023: 100%) held with A rated institutions.

Liquidity risk

The Group invests in unquoted early stage companies. The timing of the realisation of these investments can be difficult to estimate. The directors assess and review the Group's liquidity position and funding requirements on a regular basis and this is an agenda item for its Board meetings. A key objective is to ensure that the income from the portfolio covers operating expenses such that funds available for investment are not used for working capital. The Group regularly reviews the cash flow forecast to ensure that it has the ability to meet commitments as they fall due and to manage its working capital. The Board considers that the Group has sufficient liquidity to manage current commitments.

As at 31st January 2024 the Group had no borrowings (31st January 2023: no borrowings).

Interest rate risk

Interest rate risk arises from changes in the interest receivable on cash and deposits, on loans issued to investment companies and on certain preferred dividend mechanisms linked to an interest rate. In addition, the risk arises on any borrowings with a variable interest rate. At 31st January 2024, the Group did not have any interest bearing liabilities but did have interest bearing assets. The majority of loans provided by the Group are subject to a minimum interest rate to protect the Group from a period of low interest rates, and also a hurdle rate linked to the UK Base Rate.

An increase of 100 basis points, based upon the Group's closing balance sheet position of its interest bearing assets, excluding any future contractual loan repayments and loan balances provided against at the year end, over a 12-month period, would lead to an approximate increase in total comprehensive income of £281,000 for the Group (2023: £133,000 increase).

Currency risk

The Group currently has substantial exposure to foreign investment and derives income outside the UK. As such some of the Group's income and assets are subject to movement in foreign currencies which will affect the Consolidated Statement of Comprehensive Income in accordance with the Group's accounting policy. The Board monitors the movements and manages the risk accordingly.

At 31st January 2024, 66% of the Group's net assets were sterling denominated (2023: 63%). The Group's general policy remains not to hedge its foreign currency denominated investment portfolio.

The Group's net assets in US Dollar, Australian Dollar and all other currencies combined are shown in the table below. The sensitivity analysis has been undertaken based upon the sensitivity of the Group's net assets to movements in foreign currency exchange rates, assuming a 10% movement in exchange rates against sterling. The sensitivity of the Company to foreign exchange risk is not materially different from the Group.

As at 31st January 2024	Sterling	Australian dollar	US dollar	Other	Total
	£'000	£'000	£'000	£'000	£'000
Net assets	152,386	25,540	39,375	11,870	229,171
Sensitivity analysis Assuming a 10% movement of exchange rates against sterling					
Impact on net assets	N/A	(2,294)	(3,363)	(1,079)	(6,736)

As at 31st January 2023	Sterling	Australian dollar	US dollar	Other	Total
	£'000	£'000	£'000	£'000	£'000
Net assets	120,002	26,666	31,869	11,000	189,537
Sensitivity analysis Assuming a 10% movement of exchange rates against sterling					
Impact on net assets	N/A	(2,393)	(2,820)	(1,000)	(6,213)

New investment risk

An inherent risk of realising an investment is the loss of a performing asset and a potential lack of suitable new investments to replace the lost income and capital growth. Prior to reinvestment, returns on cash can be significantly lower, which may reduce underlying profitability on a short-term basis until funds are reinvested. The Group has an active Investment Department which continues to receive a strong pipeline of new investment opportunities. In addition, there is often potential for further investment within the Group's existing portfolio.

Concentration risk

Although the Group only invests in financial service businesses, and specifically insurance intermediaries, the Group has a wealth of experience in this specific sector. It seeks to manage concentration risk by making investments across a variety of geographic areas, development stages of business and classes of product. Quantitative data regarding the concentration risk of the portfolio across geographies can be found in the Segmental Reporting analysis in Note 2.

Political risk

As a UK domiciled business with overseas investments, the Group is exposed to the risks associated with changes in UK foreign policy and overseas political regimes. The Board is continually assessing the impact of these on the Group and its underlying investments, however the direct impact on the Group's investment portfolio of these has not been material to date. It remains the Group's intention to continue to invest into the international financial services market. As outlined under 'Currency risk' above, the Group continues to monitor the movements in its foreign currency denominated income and assets and manages this risk accordingly.

Ongoing conflicts and inflation risk

The Group is exposed to the risks associated with the ongoing overseas conflicts. The Board continually assesses the potential impact of such conflicts and the potential impact on the Group and its underlying investments. Whilst the Group does not have any direct investments in the affected regions, the impact on the wider global economy and associated disruption to capital markets, foreign exchange volatility, price inflation and supply chain issues could affect both the Group's operations and those of its investment portfolio, which could, in turn, impact the future performance of the Group.

The Board is continually assessing the wider economic impact of such conflicts on the Group and its investment portfolio and whilst there has been price inflation which has led to interest rate increases, and volatility within foreign exchange currency rates, certain investments within the Group's portfolio have seen premium rate increases and thus increased commission. Therefore at the current time the Group does not consider these conflicts and inflation to have had a material impact upon the Group.

28. ULTIMATE CONTROLLING PARTY

The directors consider there to be no ultimate controlling party.

Notice

The financial information set out above does not constitute B.P. Marsh & Partners Plc's statutory accounts for the year to 31 January 2024 but is derived from those accounts. The statutory accounts for the year to 31 January 2024 have not yet been delivered to the Registrar of Companies. The auditors have reported on those accounts and have given the following opinion:-

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 January 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Approval

The financial statements were approved by the Board of Directors on 10 June 2024 for their release on 11 June 2024.

-Ends-

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