B.P. MARSH
& PARTNERS PLC

Annual Report 2024

Group Profile

B.P. Marsh & Partners Plc is a specialist investor in early stage and growing financial services intermediary businesses. Whilst it is open to proposals to invest in all facets of the non-risk bearing financial services market, the Group considers its focus to be on insurance intermediaries, an area in which it has a great deal of experience. The Group will consider opportunities globally, and currently has a significant presence in North America and Australia.

The Group's aim is to be the capital provider of choice for the early-stage and growing financial services intermediary sector and to deliver to its investors long-term capital growth alongside a sustainable distribution policy.

The Group considers this to be achievable through partnering with strong management teams to back credible business opportunities to which the Group can provide strategic and financial assistance. The Group therefore considers the people element of its business as vital to its success.

The Group invests amounts of up to £5m in the first round financings and takes a flexible approach to investment structures, reviewing companies ranging from start-ups to those that have developed to the next stage of growth. The Group initially only takes minority equity positions and does not seek to impose exit pressures, preferring to be able to take a long-term view where required and work alongside management to a mutually beneficial exit route that maximises value.

B.P. Marsh has invested in over 50 businesses since it was founded in 1990 and its management team has a wealth of experience and a well-developed network within the Financial Services sector.

We are farmers, not hunters

Contents

Operating and Financial Highlights

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

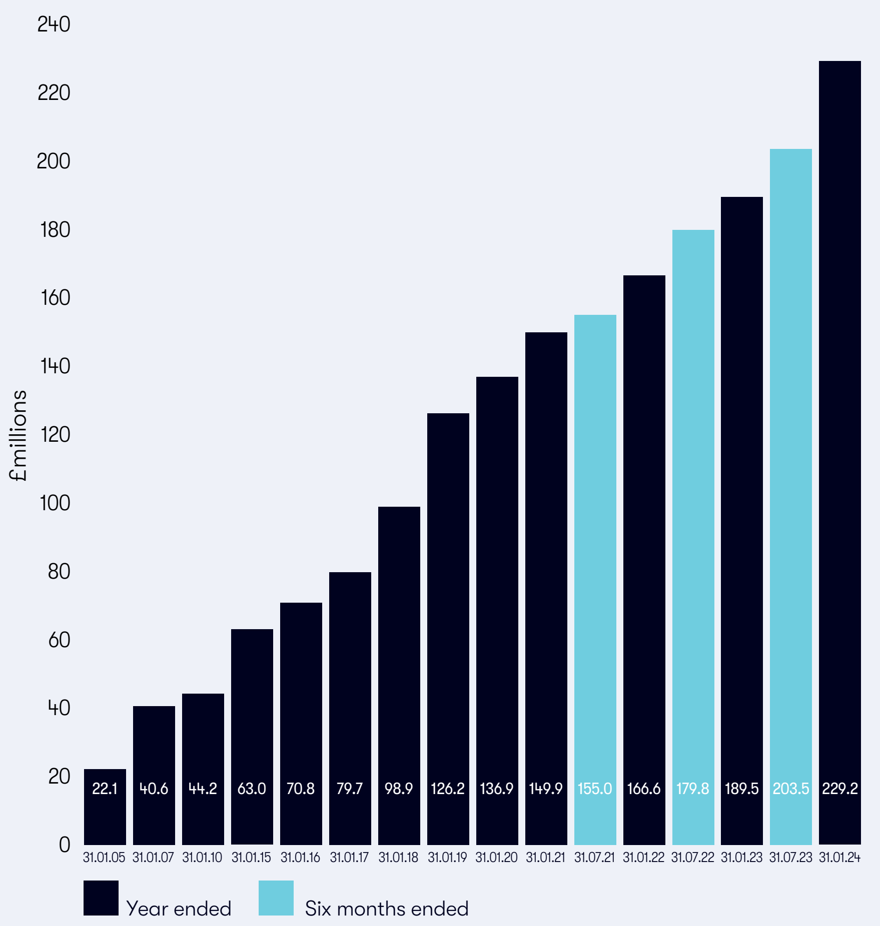
35.9%
Increase in equity value of the portfolio over the year

£229.2m
Net Asset Value, a 20.9% increase, net of Dividend

629.0p
Net Asset Value increase to 629.0p per share (31 January 2023: 526.2p)

22.0%
Total return to Shareholders in the year

Group Net Asset Value



£81.2m

Available cash

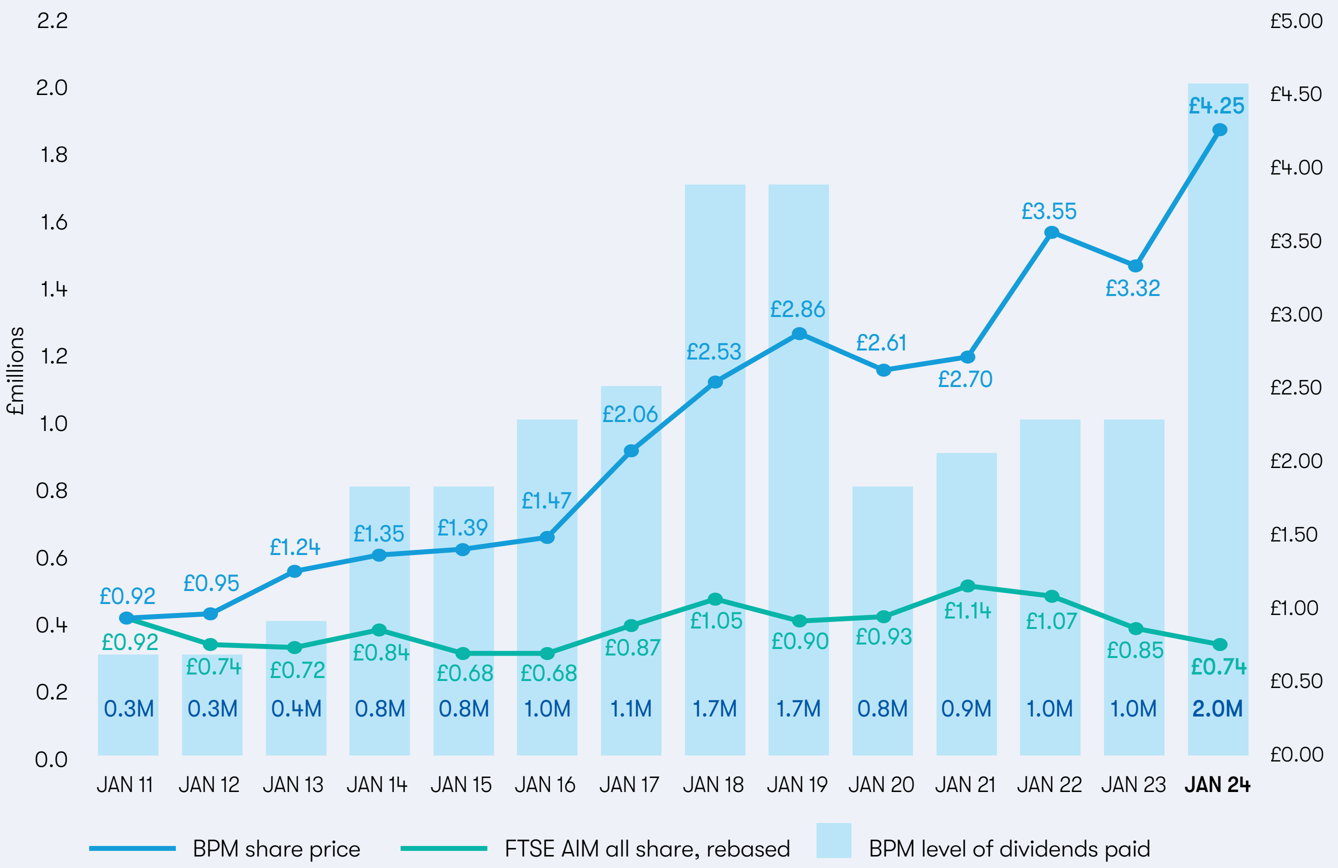
12.1%

Average Net Asset Value annual compound growth rate since 1990

5.36p

Final Dividend of 5.36p per share declared. Interim dividend of 2.68p paid February 2024 and a special dividend of 2.68p paid May 2024 following the realisation of Paladin (31 January 2023: 2.78p)

Historic dividend and share price performance



Statement by the Chairman

Brian Marsh OBE,
Chairman

"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."

£165.4m
The value of the investment portfolio

12.1%
Compound annual growth in Net Asset Value since 1990

22.0%
Total shareholder return for the year

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").

Statement by the Chairman
continued

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's Statement

Daniel Topping,
Chief Investment Officer

"The Group has delivered an excellent performance for the year to 31 January 2024, with continued strong growth from the underlying portfolio alongside two substantial realisations.

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

We believe, the above performance demonstrates the success of the Group's unique approach, which continues to produce significant long-term growth."

Chief Investment Officer's Statement
continued

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

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.

Chief Investment Officer's Statement
continued

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 £10m.

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 – UK

+ 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

XPT Group Limited ("XPT") – USA

+ 3.9 pence NAV per share uplift in year

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 US$3.5m (£2.9m) of funding to XPT, subscribing to a new issue of Preferred shares. The Group also provided a US$6m Term Loan in February 2023 of which US$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%

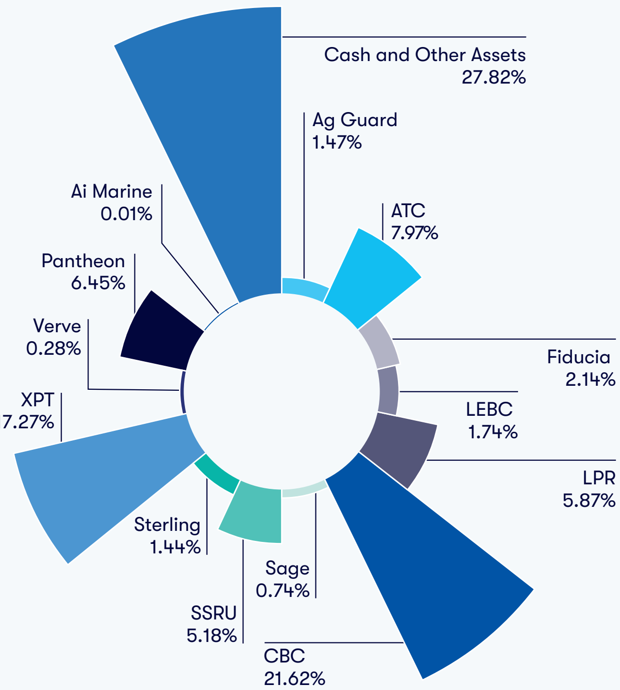
Cost of Equity: £13,042,085

31 January 2024 valuation: £39,572,000

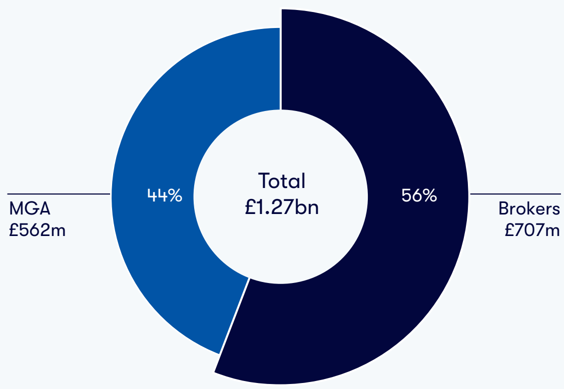
Portfolio Update & Activity

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.



Chief Investment Officer's Statement
continued

Insurance Brokers

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[1] to 31 January 2024	Multiple on Invested Capital
XPT Group LLC	June 2017	USA	29.10%	£13,042,085	£39,572,000	17.3%	29.74%	3.03x
CBC UK Limited	February 2017	UK	43.75%	£3,500	£49,549,000	21.6%	48.22%	(N/A – over 1000x)
Lilley Plummer Risks Limited	October 2019	UK	30.00%	£308,242	£13,446,000	5.9%	92.29%	43.62x
Pantheon Specialty Limited	June 2023	UK	25.00%	£25	£14,775,000	6.4%	(N/A – over 1000x)	(N/A – over 1000x)
Asia Reinsurance Brokers (Pte) Limited	April 2016	Singapore	25.00%	£1,551,084	£0	0%	-20.71%	0x

[1] Inclusive of fees, loan interest and dividend income, and based on valuation at 31 January 2024

Underwriting Agencies/Managing General Agents ("MGAs")

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[1] to 31 January 2024	Multiple on Invested Capital
ATC Insurance Solutions PTY Limited	July 2018	Australia	25.56%	£3,345,229	£18,261,000	8.0%	35.04%	5.46x
Stewart Specialty Risk Underwriting Limited	January 2017	Canada	30.00%	£19	£11,870,000	5.2%	94.10%	(N/A – over)
Ag Guard PTY Limited	July 2019	Australia	41.00%	£1,465,071	£3,361,000	1.5%	26.34%	2.29x
The Fiducia MGA Company Limited	November 2016	UK	35.18%	£227,909	£4,902,000	2.1%	23.87%	21.51x
Sterling Insurance PTY Limited	June 2013	Australia	19.70%	£1,945,411	£3,297,000	1.4%	9.10%	1.69x
Sage Program Underwriters, Inc	June 2020	USA	30.00%	£202,758	£1,689,000	0.7%	84.23%	8.33x
Verve Risk Services Limited	April 2023	UK	35.00%	£430,791	£643,000	0.3%	44.24%	1.49x
Ai Marine Risk Limited	December 2023	UK	30.00%	£30,000	£30,000	0.01%	285.18%	1.00x
Devonshire UW Limited	March 2024	UK	N/A	£300,000	N/A	N/A	N/A	N/A

[1] Inclusive of fees, loan interest and dividend income, and based on valuation at 31 January 2024

IFA Investment

IFA	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[1] to 31 January 2024	Multiple on Invested Capital
LEBC Holdings Limited	April 2007	UK	59.34%	£12,373,657	£3,987,000	1.74%	-2.79%	0.32x

[1] Inclusive of fees, loan interest and dividend income, and based on valuation at 31 January 2024

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.

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.

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.£ 10m and EBITDA of approaching £5m. 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

Chief Investment Officer's Statement
continued

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’s Statement

Jonathan Newman,
Group Finance Director

“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).”

Finance Director's Statement
continued

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 31 January 2024	Year to/as at 31 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 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:

31 January 2023 valuation	Acquisitions at cost	Disposal proceeds	Adjusted 31 January 2023 valuation	**31 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; and
- £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; and
- £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 portolio balance is currently £19.0m.

Finance Director's Statement
continued

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.

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

The Group had a strong year, delivering an increase in the NAV of £39.7m

Current investments

United Kingdom

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

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

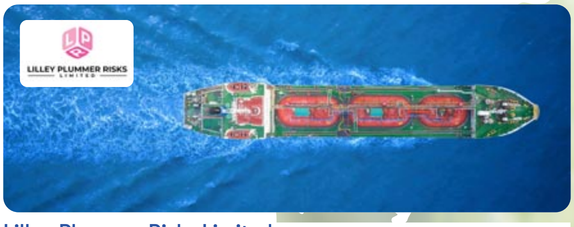
LEBC Holdings Limited

LEBC is an Independent Financial Advisory company 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 a specialist marine Lloyd's broker that provides products across the marine insurance market. The Group holds its investment in Lilley Plummer Risks through its holding company Lilley Plummer Holdings Limited.

Date of investment: October 2019

Equity stake: 30.0%

31 January 2024 valuation: £13,446,000

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

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

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

Verve

(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

Current investments

Rest of the world

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*

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.

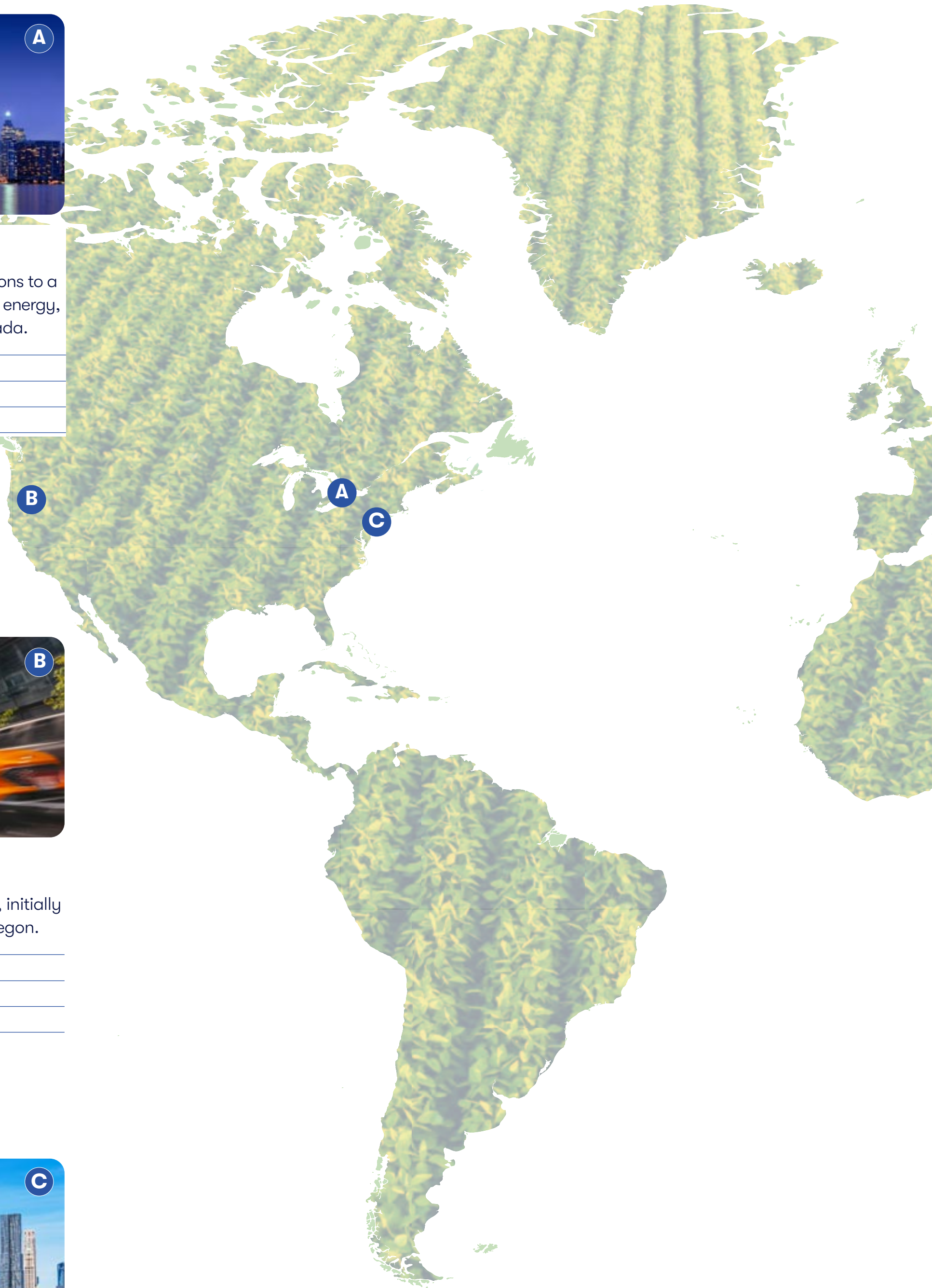
Date of investment: *June 2020*
Equity stake: *30.0%*
31 January 2024 valuation: *£1,689,000*

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.

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.

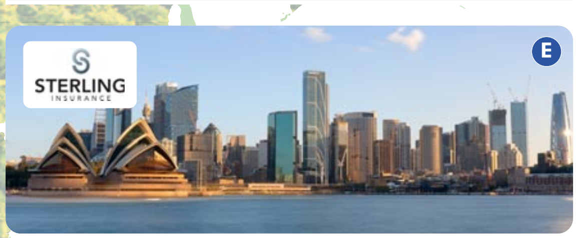
Date of investment: July 2018
Equity stake: 29.4%
31 January 2024 valuation: £0

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



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
Equity stake: 19.7%
31 January 2024 valuation: £3,297,000

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

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

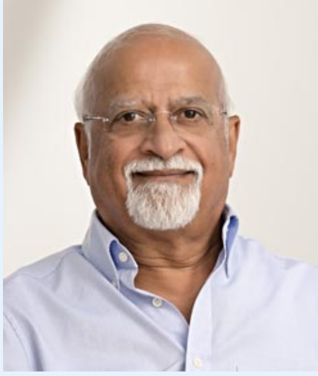
Directors and Company Secretary

Brian Marsh OBE
Executive Chairman

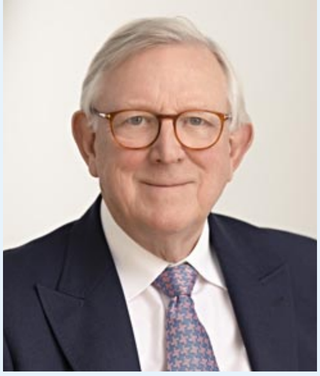
Alice Foulk BA (Hons)
Managing Director

Jonathan Newman ACMA, CGMA, MCSI
Group Finance Director

Daniel Topping MCSI, FCG
Chief Investment Officer



Pankaj Lakhani FCCA
Non-executive



Nicholas Carter
Non-executive

Sinead O’Haire LLB (Hons), FCG
Chief Legal Officer &
Group Company Secretary

Directors' Report & Strategic Report & Consolidated Financial Statements

for the year ended 31 January 2024

References throughout the Reports and Consolidated Financial Statements to the "Company" or "B.P. Marsh" refer to the Parent Company, B.P. Marsh & Partners Plc, and references to the "Group" refer to the consolidated group, being the Parent Company and its subsidiary undertakings.

Directors' and Group Company Secretary biographies

Brian Marsh OBE
Executive Chairman, aged 83
(R) (I) (V) (N)

Brian started his career in insurance broking and underwriting in Lloyd's and the London and overseas market over 60 years ago and was, from 1979 to 1990, chairman of Nelson Hurst & Marsh (Holdings) Ltd, before founding the Group. Brian has over 40 years' experience in building, buying and selling financial services businesses particularly in the insurance sector.

Brian's considerable experience being Chairman of numerous companies in Financial Services means he is well suited as the Executive Chairman of B.P. Marsh. Brian is a member of the Remuneration, Investment, Valuation, and Nomination Committees. Brian is a significant shareholder in B.P. Marsh with a direct beneficial interest in 38.1% of the Company.

Alice Foulk BA (Hons)
Managing Director, aged 37
(I) (V) (N) (D)

Alice joined B.P. Marsh in September 2011 having started her career at a leading Life Assurance company. In February 2015 Alice was appointed as a director of B.P. Marsh and in January 2016 was appointed Managing Director where she is responsible for the overall performance of the Company and monitoring the Company's overall progress towards achieving its objectives and goals, as set by the Board. Alice is a member of the Investment, Valuation, Nomination and Disclosure Committees.

Alice has a direct beneficial interest in 23,428 ordinary shares in B.P. Marsh, together with a beneficial interest (as joint owner) in 117,614 ordinary shares in B.P. Marsh held as part of the Company's Joint Share Ownership Plan and 25,809 ordinary shares in B.P. Marsh which are held in the Company's SIP Trust. Furthermore, Alice has options over 260,000 ordinary shares as part of the Company's Share Option Plan announced on 15 November 2023.

Daniel Topping MCSI, FCG
Chief Investment Officer, aged 40
(I) (V) (N) (D) (E)

Daniel was appointed as a director of B.P. Marsh in March 2011 having joined the Group in February 2007, following two years at an independent London accountancy practice. Daniel graduated from the University of Durham in 2005 and is a member of the Securities and Investment Institute and the Chartered Governance Institute UK & Ireland. In January 2016 Daniel was appointed as Chief Investment Officer of the Group and is a member of the Investment, Valuation, Nomination and Disclosure Committees and Chairman of the Environmental, Social and Governance ("ESG") Committee. Daniel is the Senior Executive with overall responsibility for the portfolio and alongside the Board and Investment Directors is instrumental in identifying ways to find, structure, develop, support and monitor the portfolio. Daniel currently has multiple nominee appointments across the investment portfolio.

Daniel has a direct beneficial interest in 126,568 ordinary shares in B.P. Marsh, together with a beneficial interest (as joint owner) in 167,465 ordinary shares in B.P. Marsh held as part of the Company's Joint Share Ownership Plan and 26,396 ordinary shares in B.P. Marsh which are held in the Company's SIP Trust. Daniel has an indirect beneficial interest in 13,192 ordinary shares, 11,434 held by is wife, Claire Cronin and 1,758 held by his daughter, Felicity Topping. Furthermore, Daniel has options over 220,000 ordinary shares as part of the Company's Share Option Plan announced on 15 November 2023.

Jonathan Newman ACMA, CGMA, MCSI

Group Finance Director, aged 49

(I) (V) (D)

Jonathan is a Chartered Management Accountant with over 25 years' experience in the financial services industry. He joined the Group in November 1999, having started his career at Euler Trade Indemnity, and was appointed a director of B.P. Marsh in September 2001 and Group Finance Director in December 2003. Jonathan is responsible for the Group's finance function, provides strategic financial advice to the Group's portfolio, evaluates new investment opportunities and is a member of the Investment, Valuation and Disclosure Committees.

Jonathan has a direct beneficial interest in 19,645 ordinary shares in B.P. Marsh, together with a beneficial interest (as joint owner) in 117,614 ordinary shares in B.P. Marsh held as part of the Company's Joint Share Ownership Plan and 34,516 ordinary shares in B.P. Marsh which are held in the Company's SIP Trust. Furthermore, Jonathan has options over 200,000 ordinary shares as part of the Company's Share Option Plan announced on 15 November 2023.

Pankaj Lakhani FCCA

Non-executive, aged 70

(R) (A) (V) (N)

Pankaj is a certified accountant and joined B.P. Marsh in May 2015 and has over 40 years' experience within the global insurance sector, having worked at Marsh McLennan Group, Nelson Hurst & Marsh Group, Admiral Underwriting and Victor O. Schinnerer. Pankaj is Chairman of both the Remuneration and Audit Committees and is also a member of the Valuation and Nomination Committees. Pankaj owns 36,912 ordinary shares in B.P. Marsh.

Nicholas Carter

Non-executive, aged 81

(R) (A) (E)

Nicholas was appointed to the Board of B.P. Marsh in May 2019 and has over 50 years' experience in the Lloyd's Insurance Market, having held a variety of positions within Nelson Hurst & Marsh Limited, Citicorp Insurance Brokers and Nelson Hurst Plc. Upon joining the Group Nicholas was appointed a member of the Remuneration and Audit Committees and is also a founding member of the ESG Committee.

Nicholas owns 29,000 ordinary shares in B.P. Marsh and also has an indirect beneficial interest in 6,383 ordinary shares held by his wife, Fiona Carter.

Sinead O'Haire, LLB (Hons), FCG

Chief Legal Officer & Group Company Secretary, aged 39

(N) (D) (E)

Sinead joined B.P. Marsh in 2009 and was appointed Group Company Secretary in June 2011. Sinead attends all Board and Committee meetings and works closely with the Chairman's Office and Board in all matters of governance and to oversee the effective functioning and leadership of the Company, as well as ensuring compliance with the stock market regulations. Sinead is responsible for negotiating and finalising the legal aspects of new investments, any follow-on funding and eventually the exit process. Sinead is a founder member of the ESG Committee and also sits on the Nomination Committee.

Sinead has a direct beneficial interest in 24,695 ordinary shares in B.P. Marsh, together with a beneficial interest (as joint owner) in 117,614 ordinary shares in B.P. Marsh held as part of the Company's Joint Share Ownership Plan and 34,516 ordinary shares in B.P. Marsh which are held in the Company's SIP Trust. Furthermore, Sinead has options over 200,000 ordinary shares as part of the Company's Share Option Plan announced on 15 November 2023.

Key

- (R) Member of the Remuneration Committee during the year
- (A) Member of the Audit Committee during the year
- (I) Member of the Investment Committee during the year
- (V) Member of the Valuation Committee during the year
- (N) Member of the Nomination Committee during the year
- (D) Member of the Disclosure Committee during the year
- (E) Member of the Environmental, Social and Governance ("ESG") Committee during the year

Corporate Governance

The Board of B.P. Marsh ("the Board") is responsible for the Group's corporate governance policies and recognises the importance of high standards of integrity, and consistently seeks to apply the principles set out in the 'Corporate Governance Code' published by the Quoted Company Alliance to the extent that they are appropriate for, and applicable to, a company of B.P. Marsh's size quoted on the Alternative Investment Market ("AIM"). The Company has identified three core stakeholders within its business model; its Shareholders, Investee Companies and Employees.

Strategy & Business Model

Since its inception in 1990, the Company has focused on acquiring minority stakes in Financial Service Intermediary Businesses with no restrictions on their global location, assisting where possible its Investee Companies and selling that stake, in partnership with management, to the benefit of the Shareholders.

As time has gone by, whilst this model has remained unchanged, the size of the potential initial investment has risen to up to £5m as the Company's assets have grown and its business has become better known. In addition, the Company can provide follow-on funding to further enhance growth.

We have been able to maintain an average compound annual increase in the Net Asset Value since inception of over 12%.

We have every reason to believe that the Company's business will continue to grow in size, particularly as a result of the ability to make larger initial investments into larger businesses.

The B.P. Marsh & Partners Plc Board consists of four executive and two non-executive directors and has ultimate oversight over the business of B.P. Marsh & Partners Plc. The Board is responsible for the making and eventual disposal of investments and the continued monitoring of their performance.

Corporate Structure

The Company operates via five main departments reporting to the Board of B.P. Marsh & Partners Plc.

Chairman's Office
Comprised of the Executive Chairman and Managing Director, the Chairman's Office has oversight of the day to day management of the Company's business.

Investment Department
Headed up by the Chief Investment Officer, the Investment Department is responsible for overseeing the Company's Investment Portfolio. With appointments made to each of the Investee Companies' Boards, the Investment Department monitors the performance of the Investee Companies and reports to the Chairman's Office and ultimately the Board.

Finance Department
Led by the Group Finance Director, the Finance Department is responsible for the internal finance function of the Company, monitoring the financial performance of the Investee Companies and providing strategic financial support and advice.

Investor Relations Department
The Investor Relations Department, led by the Chairman and Managing Director, is a collaborative effort of each department. The Investor Relations Department is responsible for communication between the Company and the financial markets. This communication enables the investment community to make an informed judgement about the fair value of the Company's shares and provides the Company with essential feedback from investors and the market on company performance and strategy.

Company Secretarial Department
Led by the Chief Legal Officer & Group Company Secretary, the Company Secretarial Department ensures that the Group remains compliant with its legal and regulatory obligations. It also acts as the point of contact for the legal departments of the Investee Companies where assistance is required.

Directors

Details of the appointment and resignation dates of directors are shown in the Group Report of the Directors. Historically, all directors were subject to re-election within a three-year period. From the AGM in July 2024, all directors will be subject to re-election annually.

It is expected that all directors dedicate as much time as is required during the year to successfully discharge their duties. The Group requires each director to prepare adequately for the four scheduled Board Meetings held each year as well as any time required to provide informed approval for any other matters that arise between Board Meetings.

All the directors have access to the advice and services of the Company Secretary and may, in furtherance of their duties, take independent legal and financial advice at the Company's expense. They also have access to the minutes of the Board meetings, in which any concerns expressed by them regarding matters pertaining to the Group are recorded.

A review of the performance and effectiveness of each director, including the non-executive directors, and the Committees of the Board, takes place annually and is assessed on an on-going basis by the other members of the Board.

The Company believes that its two non-executive directors are independent, however it has identified the following factors that could give rise to an argument against the classification as independent, namely that Pankaj Lakhani and Nicholas Carter are shareholders in the Company and that they both have a previous employment history with Executive Chairman Brian Marsh. However, the Group notes that a decision as to the independence of its non-executive directors rests with the Board itself, and upon further review it remains comfortable that both of its non-executive directors are independent as they consistently provide independent input and none of the aforementioned factors compromise their independence in practice.

Board Meetings

The Board meets at least quarterly and at such other times as required and receives regular reports on a wide range of key issues including investment performance, financial performance, investment opportunities, disposals and corporate strategy. All major decisions affecting the Group are taken at Board level and all the directors are free to bring any matter to the attention of the Board at any time.

Committees of the Board

The Board has established seven standing committees – the Remuneration Committee, the Audit Committee, the Investment Committee, the Valuation Committee, the Nomination Committee, the Disclosure Committee and the Environmental, Social and Governance ("ESG") Committee.

Remuneration Committee
The Remuneration Committee is comprised of its Chair, Pankaj Lakhani, and members Nicholas Carter and Brian Marsh. In accordance with its terms of reference, the Committee determines the level and make-up of remuneration (including bonuses and awards) of the executive directors and members of staff.

The Report of the Remuneration Committee to the shareholders on how directors are remunerated, together with details of individual directors' remuneration packages, is to be found on pages 33 to 37.

Corporate Governance
continued

Audit Committee
The Audit Committee is comprised of the two non-executive directors of the Company and during the year was chaired by Pankaj Lakhani. The external auditor, together with the Group Finance Director and other financial staff, are invited to attend these meetings.

The Report of the Audit Committee, found on pages 38 to 39, details the role of the Committee and the work carried out by the Committee throughout the year.

Investment Committee
The Investment Committee is comprised of all the executive directors of the Company and the directors of the Company's operating subsidiary, B.P. Marsh & Company Limited, and meets whenever significant investment matters arise which are not dealt with in the normal course of Board business. During the year the Board of B.P. Marsh & Company Limited, whose constituent membership is exactly the same as the Investment Committee, took responsibility for all matters relating to ongoing portfolio management, with the Investment Committee reserved solely for considering advanced stage new business opportunities.

Valuation Committee
During the year the Valuation Committee was composed of Brian Marsh, Alice Foulk, Jonathan Newman, Daniel Topping and Pankaj Lakhani and, in accordance with its terms of reference, is responsible for preparing investment valuations and reviewing the suitability of the Company's investee company valuation policy.

Nomination Committee
The Nomination Committee is composed of at least three directors (including at least one non-executive director) and during the year was composed of Brian Marsh, Alice Foulk, Daniel Topping, Pankaj Lakhani and the Group's Company Secretary, Sinead O'Haire. In accordance with its terms of reference the Committee is responsible for reviewing the structure, size and composition of the Board and senior staff and for identifying and nominating for approval of the Board, candidates for Board positions and other senior staff vacancies as and when they arise. The Committee is also responsible for reviewing the leadership of the Group, including the consideration of succession planning with a view to ensuring the continued ability of the Group to compete effectively in the marketplace.

Disclosure Committee
The Disclosure Committee (regarding Market Abuse Regulation Disclosure) is composed of Alice Foulk, Jonathan Newman, Daniel Topping and the Group's Company Secretary, Sinead O'Haire. In accordance with its terms of reference the Committee is responsible for overseeing the Company's compliance with its obligations (as laid down by the AIM Rules, Disclosure and Transparency Rules and the Market Abuse Regulation) in respect of the disclosure and control of inside information directly concerning the Company.

Environmental, Social and Governance ("ESG") Committee
The ESG Committee is composed of Daniel Topping, Nicholas Carter and the Group's Company Secretary, Sinead O'Haire. In accordance with its terms of reference the Committee is responsible for developing and reviewing the strategies, policies and performance of the Company in relation to environmental, social and governance matters and suggesting ways to drive improvement in these areas. The Committee is also responsible for ensuring the Company has an appropriate ESG strategy that is integrated with the core business strategy and ensuring the strategy is embedded across the Group, continues to evolve and is aligned to the culture and values of the Company.

Directors' Attendance Record

	Board Meeting	Audit Committee	Remuneration Committee	Valuation Committee	ESG Committee	Nomination Committee	Disclosure Committee
Brian Marsh	14/14	N/A	8/8	2/2	N/A	1/1	N/A
Alice Foulk	13/14	N/A	N/A	2/2	N/A	1/1	108/119
Daniel Topping	14/14	N/A	N/A	2/2	2/2	1/1	101/119
Jonathan Newman	13/14	N/A	N/A	2/2	N/A	N/A	105/119
Pankaj Lakhani	14/14	2/2	8/8	2/2	N/A	1/1	N/A
Nicholas Carter	14/14	2/2	8/8	N/A	2/2	N/A	N/A

Engagement of External Advisers

The Company engages external advisers as and when it feels it necessary, for example when there is a skills gap internally, or it is agreed that the matter is important enough that the prudent approach is to ensure that professional advisers have opined on the matter.

Advice is sought from selected lawyers and accountants as and when required, including on financial, tax, acquisition and disposal matters, and is limited to the particular matter which they have been engaged to advise on.

Each Committee of the Board has, contained within its Terms of Reference, the ability to seek external third-party advice on any issue contained within their remit at the expense of the Company.

Each director is able to engage external advisers at the expense of the Company in order to discharge their duties.

Board Evaluation

An annual evaluation is conducted to review the performance and effectiveness of the Board. This evaluation is conducted through a questionnaire which is identical for both executive and non-executive directors covering the performance of the Chairman, the Board and its Committees. It is conducted in an interview format, which is felt a more effective way of obtaining more detailed feedback.

The results of all the interviews were analysed and communicated through a written report compiled by the Company Secretarial Department, with recommendations made where relevant.

Corporate Culture

Ever since the Company was founded, and hence its name, the Group has advocated and emphasised that it makes its decisions based on the nature, needs and aspirations of the people it employs, or those with whom it goes into Partnership; sinking or swimming together, alongside one another.

As a consequence of the above, the Company pays careful attention to the 'people dimension', regardless of the size of the investee company.

In addition, and one of the main differentials between the Company and its peers, is the fact that it often offers flexibility to its Partners where necessary to allow them to develop at their own pace, for example, not requiring personal guarantees to accompany loans, and subordinating its loans behind bank debt.

Likewise, this progressive approach is also demonstrated internally, whereby the executive team is continuingly challenged to develop its skills and responsibilities within the Company, resulting in a motivated management team committed to developing a principled yet sustainable entity, that achieves the best results for all its stakeholders.

Corporate Governance

continued

Relations with Shareholders

As a company listed on the Alternative Investment Market, B.P. Marsh is responsible for ensuring that it is aware of shareholder needs and expectations. B.P. Marsh attaches great importance to maintaining good relationships with all of its shareholders and interested parties and seeks to ensure that they have access to correct and adequate information at all times.

The Company is aware that as stakeholders, its shareholders play a vital role in the fabric of the Company and therefore regularly engages in dialogue with its shareholders and offers meetings with institutional and major shareholders following the release of B.P. Marsh's Annual and Interim Results.

Much of the Company's shareholder base is comprised of small retail shareholders holding shares through nominee accounts and therefore the identities of the underlying shareholders are not always available to B.P. Marsh. The Company welcomes these, and all shareholders to make contact with the Company and provide any feedback or comments that they may have.

The Company's Annual General Meeting is also open to retail investors who hold their shares in nominee accounts.

Internal Controls and Risk Management

The Board is responsible for ensuring the Group has effective internal controls in place throughout the year, as well as procedures necessary for reviewing the Group's system of internal controls and assessing the nature and extent of the risks facing the Group.

The task of reporting on the internal controls and risk management has been delegated to the Audit Committee, the report of which can be read on pages 38 to 39.

The Board believes that its Annual Report and these consolidated financial statements play an important part in presenting all shareholders with an assessment of the Group's position and prospects. The Chairman's Statement included within the Annual Report contains a detailed consideration of the Group's current position and outlook.

A statement of the directors' responsibilities in respect of the consolidated financial statements is set out on page 40.

By order of the Board.

S.C. O'Haire
Chief Legal Officer &
Group Company Secretary
10 June 2024

Report of the Remuneration Committee

The Remuneration Committee of the Board (the "Committee") during the year was composed of the non-executive directors of the Company, Pankaj Lakhani and Nicholas Carter, as well as the Chairman of the Group, Brian Marsh.

The Committee is responsible for setting the remuneration of the executive directors and other members of staff, as detailed in the Remuneration policy below.

Remuneration Policy

The Committee reviews remuneration levels annually and seeks to ensure that they are set at a level which is in line with comparable companies in the industry, are capable of attracting, retaining and motivating directors and staff of appropriate calibre, are consistent with the performance of the Company and at the same time are aligned with the best interests of the shareholders.

The Committee's terms of reference allow that for as long as the Chairman and the Managing Director of the Company are executive, they can attend either as members or observers and be invited to express their views on remuneration levels for other executives and staff, but should not be present when their own salaries are decided or when decisions are taken on performance targets for incentive arrangements in which they participate.

The Board has delegated the review and setting of non-executive director remuneration to a sub-committee of the Board consisting of Brian Marsh, Alice Foulk and Sinead O'Haire.

The Committee receives advice from external remuneration advisers where appropriate.

Directors' Service Agreements

The executive directors entered into service agreements with the Company on the following dates:

Director	Date of service agreement	Term	Notice period
B.P. Marsh	30 January 2006	Continuous	6 months
J.S. Newman	30 January 2006	Continuous	6 months
D.J. Topping	1 March 2011	Continuous	6 months
A.H.D. Foulk	16 February 2015	Continuous	6 months

The non-executive directors do not have service agreements, but their letters of appointment provide that their tenure of office is for an initial period of 12 months and shall continue until either terminated by the non-executive director or the Company, on giving to the other, 3 months prior written notice.

Director	Date of Office tenure	Initial period	Notice period
P.B. Lakhani	21 May 2015	12 months	3 months
N.H. Carter	1 May 2019	12 months	3 months

Report of the Remuneration Committee

continued

Joint Share Ownership Plan ("JSOP")

During the year to 31 January 2019, B.P. Marsh & Partners Plc entered into joint share ownership agreements ("JSOAs") with certain employees, directors and JTC Employer Solutions Trustee Limited, as trustee of the B.P. Marsh Employees' Share Trust ("the Employee Benefit Trust"), subject to certain conditions being met.

Since 12 June 2021, following the performance criteria being met, the following directors of the Company each own, jointly with the trustee of the Employee Benefit Trust, and subject to the terms of JSOAs, a beneficial interest (as joint owner) in the number of shares respectively shown opposite the name of each such director:

Director	Number of jointly-owned shares	% of total jointly-owned shares
A.H.D. Foulk	167,465	11.5%
J.S. Newman	167,465	11.5%
D.J. Topping	167,465	11.5%
Total	**502,395**	**34.5%**

Under the terms of the JSOAs, the employees and directors are 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.

On 26 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.

Since 31 January 2024, 362,882 of the shares held within the Employee Benefit Trust have been sold, including 99,700 shares jointly-owned by 2 executive directors of the Company, leaving 1,080,265 shares remaining within the Employee Benefit Trust, of which 236,259 are unallocated.

Further details are given in Note 24 to the financial statements.

Share Incentive Plan ("SIP")

During the year to 31 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 31 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 31 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 31 January 2022 and 18,155 unallocated ordinary shares transferred from the Employee Benefit Trust to the SIP Trust in April 2022).

On 14 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.

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.

As at 31 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 ("SOP")

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

On 17 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 31 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 31 January 2024, 31 January 2025 and 31 January 2026 (the "Performance Period"). The first exercise date is 6 September 2026 whereby 50% of vested Options will be exercisable at 10p per share, with the remaining 50% exercisable at 10p per share from 6 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.

Report of the Remuneration Committee
continued

Of the total 1,682,500 Options granted, the following directors of the Company were each awarded, subject to the terms of the SOP, a beneficial interest in the number of Options respectively shown opposite the name of each such director:

Director	Number of Options granted	% of total Options granted
A.H.D. Foulk	260,000	15.4%
D.J. Topping	220,000	13.1%
J.S. Newman	200,000	11.9%
Total	**680,000**	**40.4%**

£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.

Further details are given in Note 24 to the financial statements.

Following the awards made under the various share schemes, as at 31 January 2024 3 executive directors had a beneficial interest in the ordinary shares of the Company (specifically held within or granted under its share plans) as follows:

Director	Ordinary shares held under JSOP	Ordinary shares held under SIP	Share Options granted under SOP
A.H.D. Foulk	167,465	23,944	260,000
D.J. Topping	167,465	24,531	220,000
J.S. Newman	167,465	32,651	200,000
Total	**502,395**	**81,126**	**680,000**

The directors' interests in other shares of the Company are detailed in the Group Report of the Directors.

Aggregate Directors' Remuneration

	2024 £	2023 £
Emoluments	2,932,885	1,600,686
Fees	29,700	25,200
Pension contributions	67,370	71,250

Aggregate Directors' Emoluments

	Salaries and fees £	Benefits £	Bonuses and other one-off remuneration £	2024 Emoluments excluding pension contributions £
B.P. Marsh	283,021	–	–	283,021
A.H.D. Foulk	251,865	6,155	286,750	544,770
J.S. Newman	306,950	7,256	236,750	550,956
D.J. Topping	355,913	7,975	1,086,750	1,450,638
P.B. Lakhani	76,700	–	–	76,700
N.H. Carter	56,500	–	–	56,500

The bonuses and other one-off remuneration include special bonuses paid to the executive directors of the Company amounting to £1,000,000 relating to the sale of the Group's investment in Kentro Capital Limited ("Kentro") during the year, of which £900,000 was paid to Daniel Topping and £50,000 each to Jonathan Newman and Alice Foulk. The sale of the Group's holding in Kentro delivered a gain on disposal of £36,395,446 (Note 12).

Directors' Pensions

The executive directors received the following pension contributions during the year:

	2024 £
B.P. Marsh	–
A.H.D. Foulk	29,208
J.S. Newman	30,875
D.J. Topping	7,287

Audit

The tables in this report (including the Notes thereto) have been audited by Rawlinson & Hunter Audit LLP.

This report has been approved by the Remuneration Committee and the Board as a whole and has been signed on behalf of the Chairman of the Remuneration Committee, Pankaj Lakhani, on 10 June 2024.

By order of the Board

S.C. O'Haire
Chief Legal Officer &
Group Company Secretary
10 June 2024

Report of the Audit Committee

The Audit Committee's role is to provide effective governance over the Group's financial reporting, including the disclosures made in the financial statements, the performance of the external auditors and oversight of the Group's internal financial control function and to report to the Board on these matters. The Company's external auditors are Rawlinson & Hunter Audit LLP ("Rawlinson & Hunter").

The Audit Committee members during the year were Pankaj Lakhani (Chairman) and Nicholas Carter, both Non-Executive Directors of the Company. The Audit Committee formally met twice in the financial year to 31 January 2024, and remained in frequent contact throughout the period. The external auditors are invited to each meeting, together with the relevant members of the Finance Department as appropriate.

The full responsibilities of the Audit Committee are set out in its Terms of Reference that are available on the Company's Website.

The Audit Committee has reviewed, with both management and the external auditors, the interim and final financial statements, focusing on:

- Changes in accounting policies and practices
- Major judgemental areas
- Significant adjustments resulting from the audit
- The going concern assumption
- Compliance with Accounting Standards
- Compliance with applicable regulatory and legal requirements
- Compliance with best practice in the area of Corporate Governance

The Company adopted the QCA Governance Code ("QCA Code") issued by the Quoted Companies Alliance in September 2018. The QCA Code is a practical, outcome-oriented approach to corporate governance that is tailored for small and mid-size quoted companies in the UK.

The Audit Committee has agreed that the selection of appropriate accounting policies and practices has not materially changed since the previous year.

The Audit Committee has considered the material risks and exposures faced by the Company, most notably in the current climate being inflation and the wider economic issues arising from various geopolitical conflicts. However, the Committee is in agreement that there are no further risks that remain unidentified in the Financial Statements. It was also agreed that there were no material uncertainties related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern.

As Chairman of the Audit Committee, I am pleased to report that we work and communicate well with Rawlinson & Hunter throughout the year and most importantly during the Group's external audit process, which runs smoothly and effectively.

During the year, fees of £27,576 (2023: £23,890) were paid to the external auditors for non-audit work, including tax compliance. This non-audit work was undertaken by independent teams within Rawlinson & Hunter.

Rawlinson & Hunter was appointed as B.P. Marsh's external auditor for the year ended 31 January 2024. There are currently no plans to retender. The Rawlinson & Hunter partner ("Engagement Partner") responsible for the B.P. Marsh audit is Kulwarn Nagra, and HAT Group, an independent audit, accountancy and ICAEW compliance training organisation is the Engagement Quality Reviewer.

Due to extenuating circumstances affecting the planned rotation of the Engagement Partner, and as permitted by Section 3.15 of the Financial Reporting Council's Ethical Standards 2019, the Audit Committee gave consideration to Kulwarn Nagra's continuation as Engagement Partner beyond the prescribed term of 5 years. The Audit Committee determined that given the circumstances this was the most favourable course of action in order to safeguard the quality of the audit engagement.

For the upcoming AGM (23 July 2024), the Committee has recommended to the Board that Rawlinson & Hunter be reappointed, and the Board will propose their reappointment.

The Committee will continue to keep its activities under review to ensure that it complies with any changes in the regulatory environment.

Pankaj Lakhani
Audit Committee Chairman
10 June 2024

Group Report of the Directors

Directors

- B.P. Marsh OBE *(Chairman)*
- A.H.D. Foulk BA (Hons)
- J.S. Newman ACMA, CGMA, MCSI
- D.J. Topping MCSI, FCG
- P.B. Lakhani FCCA *(non-executive)*
- N.H. Carter *(non-executive)*

The directors submit their report and the audited financial statements of the Company and the Group (namely B.P. Marsh & Partners Plc, B.P. Marsh & Company Limited, Marsh Insurance Holdings Limited, B.P. Marsh Asset Management Limited, B.P. Marsh (North America) Limited, RHS Midco I LLC, B.P. Marsh US LLC, B.P. Marsh & Co. Trustee Company Limited, Marsh Development Capital Limited, XPT London Limited, the B.P. Marsh SIP Trust and the B.P. Marsh Employees' Share Trust) for the year ended 31 January 2024.

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report (including the Group Report of the Directors and the Group Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with UK-adopted international accounting standards and have elected to prepare the Company financial statements on the same basis. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and the Group's profit or loss for that year.

In preparing financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Disclosure of Information to the Auditors

Each of the persons who are directors at the time when the Group Report of the Directors is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that director has taken all steps that ought to have been taken as a director in order to be aware of any information needed by the Company and Group's auditors in connection with preparing their report and to establish that the auditors are aware of that information.

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

Principal Activity

The principal activity of the Group during the year was the provision of consultancy services to, as well as making and trading investments in, financial services businesses.

Country of Incorporation and Registration

B.P. Marsh & Partners Plc was incorporated and is registered in England and Wales.

Results of the Business

The results for the year are set out on page 68. The directors consider the current state of affairs of the Group to be satisfactory.

Dividends

The Company paid three dividends to shareholders during the year: a dividend of 1.39p per share (£500,672) was paid on 28 February 2023, a dividend of 1.39p per share (£499,166) was paid on 31 July 2023 (29 July 2022: £1,001,435 or 2.78p per share) and following the completion of the sale of the Group's investment in Kentro Capital Limited on 9 October 2023 a special dividend of 2.78p (£1,028,368) per share was paid on 24 November 2023.

In line with the Group's announcements to the market on 23 January 2024 and 25 March 2024, in which it confirmed its intention to increase its annual dividend allocation from £2,000,000 to £4,000,000 for the next three financial years commencing 1 February 2024, a dividend of 2.68p per share (£990,908) was paid on 18 March 2024 followed by a dividend of 2.68p per share (£990,908) paid on 3 May 2024. The directors have recommended a final dividend of 5.36p per share which will be paid, subject to Shareholder approval, on 26 July 2024 to Shareholders registered at the close of business on 28 June 2024. Based upon the current number of shares in issue, and excluding the shares held within the Joint Share Ownership Plan and in Treasury, this would total £1,983,016.

Group Report of the Directors
continued

Significant Interests

As at 24 May 2024 the directors have been made aware that the following shareholders held disclosable interests of 3% or more of the issued share capital of the Company:

	No. of Ordinary shares of 10p each held	% of issued Share capital
Mr B.P. Marsh	14,184,419	38.1%
PSC UK Pty Limited	7,385,504	19.8%
Mr M. MacLeish	1,869,936	5.0%
Hargreaves Lansdown Asset Management	1,653,145	4.4%
Interactive Investor	1,445,245	3.9%
JTC Employer Solutions Trustee Limited	1,316,524	3.5%
Mr C. Thompson	1,294,753	3.5%
James Sharp & Co	1,256,903	3.4%

Directors

The names of the directors who served at any time during the year are stated at the head of this report.

The directors' interests in the shares of the Company were:

	31 January 2024 Ordinary shares of 10p each	31 January 2023 Ordinary shares of 10p each
Mr B.P. Marsh[1]	15,110,079	15,110,079
Mr D.J. Topping[2]	314,423	309,169
Mr J.S. Newman[3]	219,761	216,781
Ms A.H.D. Foulk[4]	214,837	211,857
Mr P.B. Lakhani	36,912	36,912
Mr N.H. Carter	27,526	25,000

1 Total interest includes 925,660 ordinary shares held by the Marsh Christian Trust of which Mr B.P. Marsh is Trustee and Settlor (31 January 2023: Total interest included 925,660 ordinary shares held by the Marsh Christian Trust).

2 Total interest includes 24,531 ordinary shares held within the Company's SIP Trust, 167,465 ordinary shares co-owned with JTC Employer Solutions Trustee Limited ("JTC") under a Joint Share Ownership Agreement between Mr D.J. Topping, JTC and the Company and 122,427 ordinary shares directly owned by Mr D.J. Topping (31 January 2023: Total interest included 21,551 ordinary shares held within the Company's SIP Trust, 167,465 ordinary shares co-owned with JTC under a Joint Share Ownership Agreement between Mr D.J. Topping, JTC and the Company and 120,153 ordinary shares directly owned by Mr D.J. Topping).

3 Total interest includes 32,651 ordinary shares held within the Company's SIP Trust, 167,465 ordinary shares co-owned with JTC under a Joint Share Ownership Agreement between Mr J.S. Newman, JTC and the Company and 19,645 ordinary shares directly owned by Mr J.S. Newman (31 January 2023: Total interest included 29,671 ordinary shares held within the Company's SIP Trust, 167,465 ordinary shares co-owned with JTC under a Joint Share Ownership Agreement between Mr J.S. Newman, JTC and the Company and 19,645 ordinary shares directly owned by Mr J.S. Newman).

4 Total interest includes 23,944 ordinary shares held within the Company's SIP Trust, 167,465 ordinary shares co-owned with JTC under a Joint Share Ownership Agreement between Ms A.H.D. Foulk, JTC and the Company and 23,428 ordinary shares directly owned by Ms A.H.D. Foulk (31 January 2023: Total interest included 20,964 ordinary shares held within the Company's SIP Trust, 167,465 ordinary shares co-owned with JTC under a Joint Share Ownership Agreement between Ms A.H.D. Foulk, JTC and the Company and 23,428 ordinary shares directly owned by Ms A.H.D. Foulk).

Share Capital

Information relating to the Company's ordinary share capital (including share repurchases and cancellation) is shown in Note 19 to the financial statements.

Events after the Reporting Date

Group

On 22 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 27 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 29 May 2024, with a remaining undrawn facility of £909,875 at the date of this report.

As at 31 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 10 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 16 April 2024, further to the agreement entered into on 10 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 31 January 2024.

On 17 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 31 January 2024 to 61.86% at the date of this report.

On 2 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 21 May 2024. As at 31 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.

Group Report of the Directors
continued

On 9 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 31 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 13 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 31 January 2024 to 28.91% at the date of this report.

Company
On 2 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 31 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.

Directors' and Officers' Liability Insurance

The Company has purchased insurance to cover directors' and officers' liability, as permitted by Section 233 of the Companies Act 2006. This insurance was in force throughout the year ended 31 January 2024 and remains in force at the date of this report.

Financial Risk Management

The directors' assessment of the principal risks and uncertainties is set out in the Group Strategic Report.

Appointment of Auditor

In accordance with section 489 of the Companies Act 2006, a resolution proposing the reappointment of Rawlinson & Hunter Audit LLP as the Group's Auditor will be put to members at the forthcoming AGM.

Registered Office:
5th Floor
4 Matthew Parker Street
London
SW1H 9NP

By order of the Board

S.C. O'Haire
Chief Legal Officer &
Group Company Secretary
10 June 2024

Group Strategic Report

Business Review

During the year the major activities of the Group were as follows:

On 2 February 2023 the Group entered into a new loan agreement to provide a further USD 6,000,000 (£4,925,231) of funding to XPT Group LLC ("XPT") in the form of a short term USD 2,000,000 Revolving Loan Facility and a USD 4,000,000 Term Loan. These facilities were drawn down in full on completion and were utilised by XPT to acquire Cal Inspection Bureau Inc. and are in addition to an existing loan facility of USD 2,000,000 provided by the Group previously. On 1 June 2023 USD 1,000,000 of the Revolving Loan Facility was repaid by XPT and on 31 October 2023 the remaining USD 1,000,000 of this facility was repaid. As at 31 January 2024 total loans outstanding amounted to USD 6,000,000 (£4,683,644).

On 15 February 2023 the Group entered into a new loan agreement to provide a further £2,000,000 of funding to Paladin Holdings Limited ("Paladin") for the purposes of funding an investment and was in addition to an existing loan facility of £3,096,500 provided by the Group previously. £500,000 of the new facility was drawn down by Paladin on completion with the remaining £1,500,000 drawn down on 14 July 2023, bringing total loans outstanding to £5,096,500 at that time. The loan facility was further increased on 11 August 2023 by £804,000 in order for Paladin to exercise a Call Option arrangement (noted below). As at 31 January 2024 total loans outstanding amounted to £5,900,500.

On 23 March 2023 Denison and Partners Limited ("Denison and Partners") drew down the remaining £170,000 from its loan facility agreed by the Group at the time of initial investment in March 2022. As at 31 January 2023 £500,000 of loans were outstanding and following the aforementioned drawdown total loans outstanding amounted to £670,000 as at 31 January 2024.

On 28 April 2023 the Group acquired a 35% cumulative preferred ordinary equity stake in Verve Risk Services Limited ("Verve") for consideration of £430,791 (Note 12). 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 and remained outstanding as at 31 January 2024. 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 19 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 (Note 12). As at 31 January 2024 the Group's equity holding in Lilley Plummer was 30%, which remained unchanged following this redemption.

On 21 June 2023 the Group acquired a 25% cumulative preferred ordinary equity stake in Pantheon Specialty Limited ("Pantheon") for consideration of £25 (Note 12). 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 9 September 2023 Pantheon formally changed its company name to Pantheon Specialty Group Limited.

Group Strategic Report
continued

On 21 June 2023, and upon the establishment of Pantheon noted above, Pantheon acquired a 100% shareholding in the existing Lloyd's Broker, 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 31 January 2023 (Note 12). However, as part of the transaction, the Group received a 40% equity holding in New Denison Limited ("New Denison"). New Denison was incorporated on 20 June 2023 and is currently a dormant company until such time that it receives its own regulatory approvals. On 9 September 2023 Denison and Partners formally changed its company name to Pantheon Specialty Limited.

On 21 June 2023 the Group provided Pantheon with a loan facility of £500,000 to assist with its working capital requirements and which was drawn down in full on completion. On 12 September 2023 the Group agreed to provide Pantheon with an additional loan facility of £3,000,000 which was drawn down in full. This loan facility was increased by a further £1,036,000, also drawn down in full, on 27 November 2023. As at 31 January 2024 total loans outstanding amounted to £4,536,000.

On 31 July 2023 Lilley Plummer repaid the remaining £300,000 of its loan outstanding as at 31 January 2023. No loan amounts were outstanding as at 31 January 2024.

On 9 August 2023 the Group agreed to provide LEBC Holdings Limited ("LEBC") with a further loan facility of £600,000 in addition to the existing loans outstanding of £3,000,000 at 31 January 2023. £300,000 of the loan facility was drawn down on completion and as at 31 January 2024 total loans outstanding amounted to £3,300,000, leaving a remaining undrawn facility of £300,000 (Note 22).

On 9 August 2023 Aspira Corporate Solutions Limited ("Aspira"), a wholly-owned subsidiary of LEBC, acquired the trading assets and personnel of LEBC Group Limited. On 10 November 2023 LEBC agreed to sell 100% of Aspira to Titan Wealth Holdings Limited ("Titan Wealth"), subject to regulatory approval. Refer to Note 26 for further details relating to the subsequent completion of this transaction since 31 January 2024.

On 11 August 2023 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 31 January 2023 and represented an overall gain of £4,000 above the original cost of the shares of £800,000 (Note 12 and Note 14). 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 noted above). As at 31 January 2024, the Group's diluted equity holding in Paladin, adjusted for options expected to vest, was 38.63%.

On 9 October 2023 the Group completed the disposal of its entire 18.7% shareholding in Kentro Capital Limited ("Kentro"), pursuant to an agreement dated 22 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 as at 31 January 2023 and represented an overall gain of £36,395,446 above the cost of investment (Note 12). 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.

On 30 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) (Note 12). As at 31 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 31 January 2024 the Group's shareholding in XPT was 29.71% (29.10% on a fully diluted basis).

On 7 December 2023 the Group agreed to sell its entire equity holding in Paladin to Specialist Risk Group Limited ("SRG"), subject to regulatory approval. Further details are set out in the Events After The Reporting Date and in Note 26 in relation to the subsequent completion of this transaction since 31 January 2024.

On 21 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 31 January 2024 total loans outstanding amounted to £500,000, with a remaining undrawn facility of £1,070,000 (Note 22).

On 30 January 2024 the Group provided a two year loan facility of £6,000,000 to Alchemy Holdco Limited ("Alchemy") which is the holding company of Alchemy Underwriting Limited, an entity that was 22.5% owned by Paladin. The loan was provided to Alchemy to assist its management team with a Management Buy Out as part of the overall sale of Paladin to SRG and was drawn down in full on completion. As at 31 January 2024 total loans outstanding remained at £6,000,000.

During the year The Fiducia MGA Company Limited ("Fiducia") made total loan repayments of £743,500, reducing their outstanding loan from £2,224,500 as at 31 January 2023 to £1,481,000 as at 31 January 2024.

Group Strategic Report
continued

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 31 January 2024	Year to/as at 31 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:

31 January 2023 valuation	Acquisitions at cost	Disposal proceeds	Adjusted 31 January 2023 valuation	31 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 Capital Limited (“Kentro”), £0.8m from Paladin Holdings Limited (“Paladin”) on the exercise of an option and £0.7m on the redemption of preference shares in Lilley Plummer Holdings Limited (“Lilley Plummer”).

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

- £2.9m in XPT Group LLC (“XPT”) to fund further acquisitions
- £0.5m into three new investments: Pantheon Specialty Group Limited (“Pantheon”), Verve Risk Services Limited and Dempsey Group Limited (Ai Marine Risk Limited)

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 The Fiducia MGA Company Limited and £0.3m from Lilley Plummer

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 UW Limited, a new investment.

Other significant cash movements include receipt of £5.0m in further loan repayments, including £3.3m from LEBC Holdings Limited 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.

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.

Group Strategic Report
continued

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 643 pence per share and 4.5% dilutive from NAV of 649 pence per share.

Financial Risk Management

Effective risk management is integral to the Group's ability to deliver its strategy of achieving returns for its shareholders.

As an investor, the Group is in the business of taking risk and its operations therefore expose the Group to a variety of financial risks. The Group's risk management framework is essential in ensuring that it monitors, manages and mitigates those risks, and acts accordingly, to limit the adverse effects on the financial performance of the Group.

As at 31 January 2024 the Group was debt free (31 January 2023: debt free).

Approach to risk governance
The Board is responsible for risk assessment, the risk management process and for the protection of the Group's reputation and integrity and all employees are expected to meet the Group's high standard of conduct and support effective risk management through a strong control culture.

Risk governance structure

Board
The Board governs and approves the Group's risk appetite and strategy and is responsible for ensuring an effective risk management and oversight process. It is assisted by seven standing committees of the Board (outlined on pages 29 to 30 and discussed further below), each with specific responsibility for key risk management areas, ensuring that standards of integrity, financial performance, risk management and internal control are upheld.

Audit Committee
The primary responsibility of this committee is for managing financial reporting risk and internal controls, as well as the relationship with the external auditor.

Valuation Committee

The primary responsibility of the Valuation Committee is for determining the valuation of the Group's unquoted equity investment portfolio, comprising 72% of net assets at 31 January 2024 (2023: 90%). The Valuation Committee also provides oversight and challenge of the underlying assumptions and valuation policy which formulate the valuations and directly engages with the Group's external auditor at each reporting period to confirm that the basis of its valuations is reasonable and appropriate based upon the information available to the Group at that time.

Investment Committee

The Investment Committee is the principal committee for managing the Group's investment portfolio and is primarily responsible for considering and approving all significant investment and divestment decisions for recommendation to the Board.

Nomination Committee

The Nomination Committee is responsible for ensuring that the Board has the necessary skills, experience and knowledge to deliver its strategic objectives.

Disclosure Committee

The Disclosure Committee is responsible for overseeing the Group's compliance with its obligations (as laid down by the AIM Rules, Disclosure and Transparency Rules and the Market Abuse Regulation) in respect of the disclosure and control of inside information directly concerning the Group.

Remuneration Committee

The Remuneration Committee determines the level and make-up of remuneration (including bonuses and awards) of the executive directors and members of staff.

The activities of the Remuneration Committee and Audit Committee are discussed further in the Report of the Remuneration Committee on pages 33 to 37 and Report of the Audit Committee on pages 38 to 39.

Environmental, Social and Governance ("ESG") Committee

The ESG Committee is responsible for developing and reviewing the strategies, policies and performance of the Company in relation to environmental, social and governance matters and suggesting ways to drive improvement in these areas. The Committee is also responsible for establishing an appropriate ESG strategy that is integrated with the Company's core business strategy and that this strategy is embedded across the Group, continues to evolve and is aligned to the culture and values of the Company. The activities of the ESG Committee are outlined on pages 54 to 55 under 'Environmental, Social and Governance ("ESG") Reporting'.

In addition to the standing committees of the Board, regular meetings between the Chairman's Office and the various internal departments of the Company, including the Investment, Finance, Company Secretarial and Investor Relations departments are held to ensure effective communication and transparency of information throughout the Group.

Regular portfolio monitoring is an integral element of the meetings held between the Investment Department and the Chairman's Office to continually manage risks associated with the portfolio.

Group Strategic Report
continued

The specific risks to which the Group is exposed are outlined as follows:

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.

Credit risk
The Group is subject to credit risk on its unquoted investments, cash and deposits. 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.

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.

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 31 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.

Currency risk
In terms of financial 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 (see Note 27).

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.

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.

Further analysis of the Group's sensitivity to certain risks outlined above is set out in Note 27 'Financial Risk Management'.

Group Strategic Report
continued

Environmental, Social and Governance ("ESG") Reporting

The Group is exempt from the requirements of the Regulation 7, Part 2 – Amendments to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, to report on its energy and carbon consumptions.

B.P. Marsh & Partners Plc ("B.P. Marsh") remains committed to ESG principles and integrating them into our corporate strategy. We established an ESG Committee in December 2021, an important step towards embedding sustainability into our operations. The Committee meets quarterly to direct and monitor the agreed strategy to fulfil our obligations to both society and the planet.

We monitor the ESG credentials of our investee portfolio via an annual questionnaire. This allows us to easily track improvements and identify areas which could benefit from more focus. Prior to any new investment there is an evaluation of a business's ESG credentials at the due diligence phase, although this can be somewhat limited in respect of relatively small scale start-up operations, which were the primary investment types in the year under review.

In line with our commitment to governance, and the fact that the majority of our portfolio is regulated by the Financial Conduct Authority ("FCA"), or equivalent in overseas jurisdictions, we ensure a watching brief over any FCA ESG guidance to ensure that we are implementing any updates.

Environmental

We are actively exploring avenues to mitigate the Group's carbon emissions. During the year under review we have instigated a corporate policy that all business flights are offset at the time of booking by using the online platform created by Ecologi Action Limited ("Ecologi"). As a 'people' business that operates internationally, travel is unfortunately fundamental to our operations. However our Board is of the view that this should be minimised and offset using a verified carbon offsetting platform. Having reviewed multiple offsetting platforms, and conscious of the potential scope for fraud in this market, we are confident that Ecologi represents a legitimate opportunity to offset this element of the Group's business into a variety of environmentally beneficial projects. Following a full year of participation in this programme we will disclose the amounts involved and highlight the areas of sustainability that we have chosen to support through this initiative.

We also continue to implement measures to reduce our office carbon footprint in smaller ways, for example by the use of SMART lights and prioritising recycling initiatives. We also encourage our staff to choose greener travel options when commuting or travelling to local meetings as part of our ongoing efforts to minimise environmental impact.

Social

Social endeavours have not been the focus of this year's work; whilst there is always room for improvement, the ESG Committee, supported by the Board, is content that the Group's contribution to society, starting with staff welfare, and then looking out to the wider world, remains positive and satisfactory.

Governance

The Group continues to work on its own governance and that of the portfolio entities, assisting where possible. We provide outsourced Company Secretarial services to an increasing number of portfolio entities who utilise these services to create a streamlined annual calendar that allows full board interaction and the creation of sub-committees where relevant and necessary. One of the value adding elements of our investment approach is that we can draw upon our years of experience and expertise in this area to give tailored recommendations to promote board effectiveness and improved governance in all areas as these entities grow.

Internally, the Board continues to carry out Board effectiveness evaluations annually. This year, following additional training on conducting internal reviews, we instigated a two stage evaluation process. By adding a second layer of an in-person interview, we felt this worked well at providing an opportunity to explore additional areas of consideration on a deeper level and ensuring all matters relating to Board governance and operations are fully discussed.

In summary, this year we have continued to embed further ESG frameworks and initiatives into our business practices, focusing on organic improvements that can add value but also are consistent with our Business Purpose. We remain optimistic about the progress being made at B.P. Marsh in this area and anticipate being able to share more detailed updates in our upcoming annual report for the financial year ending 31 January 2025.

Directors' duties under Section 172

The purpose of this statement is to outline how, during the year, the directors of the Company had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duty under section 172.

Under section 172(1):
a director of a company must act in the way that he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long term;

b) the interests of the company's employees;

c) the need to foster the company's business relationships with suppliers, customers and others;

d) the impact of the company's operations on the community and the environment;

e) the desirability of the company maintaining a reputation for high standards of business conduct; and

f) the need to act fairly towards all members of the company.

In order to fulfil their duties under section 172, and promote the success of the Group for the benefit of all its stakeholders, the directors need to ensure that the Group not only acts in accordance with its legal duties but also engages with, and has regard for, all its stakeholders when taking decisions. The Group has a number of key stakeholders that it is committed to maintaining a strong relationship with. Understanding the Group's stakeholders and how they and their interests will impact on the strategy and success of the Group over the long term is a key factor in the decisions that the Board make.

Shareholders
The promotion of the success of the Group is ultimately for the benefit of the Company's shareholders who provide the Company's permanent capital.

As a company listed on the Alternative Investment Market, the Company is responsible for ensuring that it is aware of shareholder needs and expectations. The Company attaches great importance to maintaining good relationships with all of its shareholders and interested parties and seeks to ensure that they have access to correct and adequate information in a timely fashion.

The Company is aware that as stakeholders, its shareholders play a vital role in the fabric of the Company and therefore regularly engages in dialogue with the Company's shareholders and is available for meetings with institutional and major shareholders following the release of the Group's Annual and Interim Results.

Group Strategic Report
continued

Much of the Company's shareholder base is comprised of small retail shareholders holding shares through nominee accounts and therefore the identities of the underlying shareholders are not always available to the Company. The Company welcomes these and all shareholders to make contact with the Company and provide any feedback or comments that they may have and contact details are available on the Company's website.

The Company's Annual General Meeting is also an important opportunity for retail and institutional investors to meet and engage with Directors, and ask questions on the Company and its performance.

Employees
Our employees are key to the success of the Group and recruiting, retaining and developing our team is one of the Group's most important priorities. The Group expects a high standard of integrity and accountability from its employees. In return, the Group rewards and incentivises its staff on the basis of merit, ability and performance. Employee engagement is a key factor of this performance and the Group encourages an open communication forum amongst all members of staff, aided by the Group's small size and relatively flat hierarchical structure.

The Group is committed to promoting diversity in all its forms together with equal opportunities and is a supportive employer, providing training and development where required.

The Group recognises that employee wellbeing is also a fundamental element in maintaining the success of the Group and employees are provided with medical insurance and the opportunity to have annual well person screenings.

The Group is acutely aware of the impact that current inflationary pressures caused by the geopolitical actions is having on households, particularly in regard to higher energy and food costs as well as increasing mortgage interest rates. It has taken active steps to assist employees in this regard.

Investee Companies
Engagement with the Group's portfolio of investee companies is critical to delivering the Company's long-term strategy of delivering shareholder return. Whilst the Group does not involve itself in the day-to-day operations of its investee companies, it does retain formal oversight by placing at least one nominee director on each investee board. Informal oversight and engagement with each investee company is carried out on an ongoing basis by members of the Investment Department in conjunction with other department members.

Regulatory Bodies
Although the Company is not itself directly regulated, it operates within a regulated environment and therefore actively engages with various regulatory bodies and advisory firms to ensure that compliance standards are maintained and that the Company continues to act with the high standards of business conduct that have established its reputation thus far. The Company is also a member of the British Venture Capital Association.

Suppliers
The Company's suppliers are integral to the day to day operation of the Group. Relationships with suppliers are carefully managed to ensure that the Group is always obtaining value for money. The Group seeks to ensure that good relationships are maintained with suppliers through regular contact and the prompt payment of invoices.

Other stakeholders and the wider community
The Company is committed to ensuring that none of its activities have a detrimental impact on the wider community and the environment. The Group actively encourages its employees to participate in charitable work and community projects.

Decision making and section 172 of the Companies Act 2006

The Group's primary strategy is to deliver shareholder value through the increase of its Net Assets. The key driver of this growth is the investment of the Group's resources into businesses with experienced management teams that have excellent growth potential to which the Group can offer its expertise and add value. This objective was achieved through growing the Net Asset Value from £189.5m to £229.2m over the year.

During the year, the Group continued to fund its existing portfolio of investee companies through the provision of both follow-on equity investment and loan funding. Historically the Group has used funds from past realisations and external fundraising to fund future opportunities both within its current portfolio and to new investments. During the year the Group made a successful realisation and since the year end a further successful realisation has been made (refer to Note 26) which has provided the Group with significant funds to finance future investment opportunities.

Another key priority for the Group is to ensure that shareholder expectations are being met, not only through the growth in the Group's Net Asset Value, profitability and share price, but through distributions.

The Group takes a responsible approach to dividend distribution and has ensured that its distribution policy strikes a balance between rewarding loyal shareholders and providing sufficient resources for the Group to continue investing in growth opportunities in financial services business to continue its long-term success.

Policy on Payment of Suppliers

The Group's policy on the payment of suppliers is to settle transactions based upon the supplier's agreed terms of trade. Average supplier days were 21 (2023: 26) during the year.

Going Concern

The directors continue to adopt the going concern basis in preparing the financial statements. This is because the directors, after making enquiries and specifically considering the implications of the ongoing geopolitical conflicts and events and the wider economic issues arising from these, and following a review of the Group's forecasts for 2025 and 2026 including cash flows, consider that the Group has adequate resources to continue its operation for the foreseeable future.

By order of the Board

S.C. O'Haire
Chief Legal Officer &
Group Company Secretary
10 June 2024

Independent Auditor's Report

to the Members of B.P. Marsh & Partners Plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the Group financial statements of B.P. Marsh & Partners Plc ("the Parent Company" or "the Company") and its subsidiaries ("the Group") for the year ended 31 January 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

The directors have prepared the Group's and the Parent Company's financial statements on the going concern basis as they have concluded that there are no material uncertainties that could have cast significant doubt over the Group's and the Parent Company's ability to continue as a going concern for at least one year from the date of the approval of the Group's and the Parent Company's financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this auditor's report.

Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining the directors' going concern assessment and the forecasts they have prepared for each of the two years to 31 January 2026 which predict profit and positive cashflows and challenging the rationale for assumptions used in the preparation of these forecasts;
- considering the impact of the various geopolitical conflicts and the wider economic issues arising from these on the directors' assessment to continue to adopt the going concern basis of accounting; and
- considering the inherent risks to the Group and the Parent Company's business model and how these risks might affect the Group's and the Parent Company's financial resources or ability to continue operations over the going concern period. We evaluated these risks and concluded that they were not significant enough to require us to perform additional procedures.

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

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk 1: Valuation of unquoted equity investments

Refer to the significant accounting policies (pages 72 to 79); and Notes 1 and 12 of the financial statements.

The equity investment portfolio comprises Level 3 instruments in unquoted legal entities. In both the Group and the Parent Company's Statements of Financial Position these are shown under Non-Current Assets, unless the investments are held for resale, in which case they are shown under Current Assets.

Independent Auditor's Report
continued

The Group adopts various valuation methodologies based on the International Private Equity and Venture Capital Valuation Guidelines – December 2022 ("IPEVCV Guidelines"), in conformity with International Financial Reporting Standard ("IFRS") 13 – Fair Value Measurement. Owing to the unquoted and illiquid nature of these investments, the assessment of fair valuation is subjective and requires a number of significant and complex judgments to be made by the Valuation Committee. The exit value will be determined by the market at the time of realisation and therefore despite the valuation policy adopted and judgments made by the Valuation Committee, the final sales value on realisation may differ materially from the valuation at the year end date.

There is the risk that inaccurate judgments made in the assessment of fair value, particularly in respect of earnings multiples, the application of liquidity discounts, calculation of discount rates and the estimation of future maintainable earnings, could lead to the incorrect valuation of the unquoted equity investment portfolio. In turn, this could materially misstate the value of the investment portfolio in the Statement of Financial Position, the gross investment return and total return in the Consolidated Statement of Comprehensive Income and the net asset value per share.

There is also the risk that management and the Valuation Committee may influence the significant judgments and estimations in respect of unquoted equity investment valuations in order to meet market expectations of the overall net asset value of the Group.

How we address the Key Audit Matters

We performed the following procedures:

We obtained an understanding of the Valuation Committee's processes and controls for determining the fair valuation of unquoted equity investments by performing walkthrough procedures. This included discussing with management and the Valuation Committee the valuation governance structure and protocols around their oversight of the valuation process and corroborating our understanding by obtaining the detailed minutes for the Valuation Committee meetings. We have identified key controls in the process, assessed the design adequacy and tested the operating effectiveness of those controls.

We compared the Valuation Committee's valuation methodology to IFRS and the IPEVCV Guidelines. We sought explanations from management and the Valuation Committee where there were judgments applied in their application of the guidelines and assessed their appropriateness.

Using our knowledge of private company valuation methodologies, historical valuations and specific research guidance from brokers where available, we formed an independent range for the key assumptions used in the valuation of a sample of unquoted investments. We derived a range of fair values using our assumptions and other qualitative risk factors. We compared these ranges to management's fair values and discussed our results with the Valuation Committee.

With respect to unquoted investments, on a sample basis, we corroborated key inputs in the valuation models, such as earnings and net debt to source data. We also performed the following procedures on key judgments made by the Valuation Committee in the calculation of fair value:

- assessed the suitability of the comparable companies used in the calculation of the earnings multiples;
- challenged management on the applicability of adjustments made to earnings multiples and obtained rationale and supporting evidence for adjustments made;
- performed corroborative calculations to assess the appropriateness of discount rates; and
- discussed the adjustments made to calculate future maintainable earnings and corroborated this to supporting documentation.

On a sample basis, we verified the valuation of unquoted investments using market data on acquisition multiples and other data from third party pricing sources used by the Valuation Committee in the calculation of fair value.

We checked the mathematical accuracy of the valuation models on a sample basis. We reperformed the calculation of the unrealised profits on the revaluation of investments impacting the Consolidated Statement of Comprehensive Income.

We discussed with the Valuation Committee the rationale for any differences between the exit prices of investments realised during the year and the prior year fair value, to further assess the reasonableness of the current year valuation assumptions and methodology adopted by the Valuation Committee.

Key observations communicated to the Audit Committee

The valuation of the unquoted equity investment portfolio was determined to be within a reasonable range of fair values. All valuations tested have been recognised in accordance with IFRS and the IPEVCV Guidelines. Appropriate inputs to the valuations were used and the valuations calculated by the Valuation Committee are within a reasonable range. Based on our procedures and discussion of certain matters with the Audit Committee, there were no material outstanding matters.

Risk 2: Recognition of portfolio income and of realised profits on disposal of investments

Refer to the significant accounting policies (pages 72 to 79); and Notes 1, 12 and 14 of the financial statements

Portfolio income is directly attributable to the return from investments. This includes: dividends from investee companies which are recognised when the Group's rights to receive payments have been established, gross interest income from loans which is recognised on an accruals basis and 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.

Realised profits originate from disposals of investments. Realised profits are calculated as the difference between the net proceeds and the investment's fair value at the beginning of the year.

Market expectations and revenue-based targets may place pressure on management to influence the recognition of portfolio income or realised gains. This may result in overstatement or deferral of revenues to assist in meeting current or future targets or expectations.

Independent Auditor's Report
continued

How we address the Key Audit Matters

We performed the following procedures:

We obtained an understanding of management's processes and controls around accounting for portfolio income and realised gains by discussing with the management team and observations during the audit fieldwork to substantiate the processes and controls.

We performed detailed testing on a sample of transactions to confirm whether they had been appropriately recorded in the Consolidated Statement of Comprehensive Income.

For portfolio income, on a sample basis, we:

- agreed dividends from the underlying investment agreements and the dividend notices where available;
- reperformed the calculation of interest income based on the terms of the underlying agreements;
- agreed advisory fees to the relevant investment advisory agreements; and
- agreed the receipts of the income to the bank statements, or, if not yet received at the year end, agreed to the debtors or accrued income and assessed the recoverability of these debtors or accrued income.

For any realised gains on disposals, on a sample basis we would typically have:

- analysed the contract and terms of the sale to determine whether the Group had met the stipulated requirements, confirming that the net proceeds and therefore the realised profit over opening value could be reliably measured;
- re-performed management's calculations to determine mathematical accuracy and confirmed the collection of the net proceeds by agreeing the cash receipt to bank statements; and
- assessed the recoverability if the related income had not been received by the due date.

For all samples selected for testing we verified that revenue is recognised when the significant risks and rewards of ownership have been transferred.

We performed enquiries of management and read minutes of meetings throughout the year and subsequent to the year end in order to address the risk of management override of controls to defer revenue recognition or over accrue revenue.

Key observations communicated to the Audit Committee

Our audit procedures did not identify any material matters regarding the recognition of portfolio income and of realised profits on disposal of investments. All transactions tested had been recognised in accordance with contractual terms and UK-adopted international accounting standards. Based on our procedures and discussion of certain matters with the Audit Committee, there were no material outstanding matters.

Our Application of Materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

Materiality is defined as the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group and the Parent Company to be £2,300,000 (2023: £1,900,000) for unrealised investment related items, which is 1% of net assets. We believe that net assets provide us with a consistent year on year basis for determining materiality and is the most relevant measure to the stakeholders of the Group.

However, due to the much lower net comprehensive income generated each year in comparison with the level of net assets, we have set a lower materiality of £150,000 (2023: £100,000) for the Group and for the Parent Company for realised comprehensive income and amortised cost balance sheet items which represents approximately 2% of realised income.

We believe that the above basis provides us with a consistent year on year basis for determining materiality and is the most relevant measure to the stakeholders of the Group and the Parent Company.

We calculated materiality during the planning stage of the audit based on the management accounts provided to us which exclude the investment valuation at the year end, and then reassessed it based on the 31 January 2024 revised management accounts updated with the investment valuation at the year end on the basis set out above and adjusted our audit procedures accordingly.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgment was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £1,700,000 (2023: £1,425,000) for unrealised investment related items and £110,000 (2023: £75,000) for realised comprehensive income and amortised cost balance sheet items. This is at the top end of the range of 50% and 75% typically used. In arriving at the top range of 75%, we considered the judgmental nature of the valuations in the Consolidated Statement of Financial Position and the relative value of transactions recorded in the other primary statements, to ensure that total uncorrected and undetected audit differences in all accounts did not exceed our materiality of £2,300,000 for unrealised investment related items and £150,000 for comprehensive income and amortised cost balance sheet items.

Independent Auditor's Report
continued

Reporting threshold
Our reporting threshold is defined as an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £115,000 (2023: £95,000) for unrealised investment related items and £7,500 (2023: £5,000) for realised comprehensive income and amortised cost balance sheet items, which is set at approximately 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An Overview of the Scope of our Audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

We performed an audit of the complete financial information of 3 (2023: 3) full scope components.

The Group comprises 2 consolidated subsidiaries and 1 investment entity subsidiary. Monitoring and control over the operations of these subsidiaries, including those located overseas, is centralised in London.

The full scope components accounted for 100% of the investment portfolio and 100% of each of profit before tax, external revenue and of total assets (all measures used to calculate materiality).

Whilst materiality for the Group financial statements as a whole was set out as detailed in this report, each component of the Group was audited to an equal or lower level of materiality.

Audits of the components were performed at a materiality level calculated by reference to a proportion of Group materiality appropriate to the relative scale of the business concerned.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Group Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Group Strategic Report and the Group Report of the Directors have been prepared in accordance with applicable legal requirements; and
- the part of the Report of the Remuneration Committee required to be audited by us has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to Report by Exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Group Report of the Directors.

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report

continued

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Based on our understanding of the Group and the industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulations. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to inflate revenue of the Group and the Parent Company, and management bias in accounting estimates and judgemental areas of the financial statements, such as investment valuations and provisions. Audit procedures performed by us included:

- discussing with the directors and management involved in the risk and compliance functions and the Group and Parent Company's company secretary function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing correspondence between the Group and the investee companies, and discussions with the management responsible for liaising with the investee companies in relation to the investee companies' compliance with laws and regulations;
- reviewing board minutes as well as relevant meeting minutes, including those of the Valuation Committee, Audit Committee and the Disclosure Committee;
- challenging assumptions made by management in arriving at accounting estimates and judgements, in particular in relation to the valuation of unquoted equity investments and recognition of portfolio income as described in the related key audit matters above;
- identifying and testing journal entries, in particular, any journal entries posted with unusual account combinations, such as a credit to revenue and a debit to the statement of financial position (other than to expected accounts), which may be indicative of the overstatement or manipulation of revenue; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kulwarn Nagra
(Senior Statutory Auditor)
For and on behalf of

RAWLINSON & HUNTER AUDIT LLP
Statutory Auditor
Chartered Accountants
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

10 June 2024

Consolidated Statement of Comprehensive Income

for the year ended 31 January 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'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**
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.

The notes on pages 72 to 118 form part of these financial statements.

Consolidated and Parent Company Statements of Financial Position

31 January 2024

	Notes	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'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 10 June 2024 and signed on its behalf by:

B.P. Marsh & J.S. Newman

The notes on pages 72 to 118 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 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.

The notes on pages 72 to 118 form part of these financial statements.

Parent Company Statement of Cash Flows

for the year ended 31 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 31 January 2024

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

The notes on pages 72 to 118 form part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 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 31 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 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 31 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.

Notes to the Consolidated Financial Statements
continued

1. Accounting policies continued

Basis of consolidation continued

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 12 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 26 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 31 January 2024, 31 January 2025 and 31 January 2026 (the "Performance Period"). The first exercise date is 6 September 2026 whereby 50% of vested Options will be exercisable at 10p per share, with the remaining 50% exercisable at 10p per share from 6 September 2027.

Notes to the Consolidated Financial Statements
continued

1. Accounting policies continued

Employee services settled in equity instruments continued

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.

Notes to the Consolidated Financial Statements
continued

1. Accounting policies continued

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.

Notes to the Consolidated Financial Statements
continued

2. Segmental Reporting continued

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 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'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:

	Total net operating income attributable to the investee company £'000		% of total realised and unrealised operating income		Reportable geographic segment	
Investee Company	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 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'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**

Notes to the Consolidated Financial Statements
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2. Segmental Reporting continued

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 £'000	2023 £'000
Interest costs on lease liability (Note 21)	39	47
Investment management costs (Note 13)	16	41
	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 31 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. Refer to the Report of the Remuneration Committee on pages 34 to 35 and Note 24 for further details.

During the year to 31 January 2019, Joint Share Ownership Agreements were also entered into between certain directors and employees and the Company. Refer to the Report of the Remuneration Committee on page 34 and Note 24 for further details.

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. Refer to the Report of the Remuneration Committee on pages 35 to 36 and Note 24 for further details.

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 31 January 2022.

Notes to the Consolidated Financial Statements

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6. Directors' Emoluments

The aggregate emoluments of the directors were:

	2024 £'000	2023 £'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 31 January 2019, were issued to current directors. Refer to the Report of the Remuneration Committee on page 34 and Note 24 for further details.

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.

Refer to the Report of the Remuneration Committee on pages 34 to 36 and Note 24 for further details.

	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 £'000	2023 £'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 26 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)

Notes to the Consolidated Financial Statements
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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 1 April 2023. This change in tax rate has not had a material impact on the Group financial statements for the year ended 31 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

	2024 Number	2023 Number
Number of shares		
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

	2024 Number	2023 Number
Number of shares		
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 31 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.

Notes to the Consolidated Financial Statements
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10. Earnings and Net Asset Value Per Share from Continuing Operations Attributable to the Equity Shareholders and Net Asset Value Per Share continued

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).

On 9 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 31 January 2023 to 37,288,000 as at 31 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 1 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 31 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 16 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 16 January 2023, and in accordance with its Share Buy-Back Policy announcement on 17 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 14 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 31 January 2022. During the year to 31 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 31 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 26 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 31 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 31 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 31 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 14 April 2023 (Note 24).

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11. Property, Plant and Equipment

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

12. Investments – Equity Portfolio

	Shares in investee companies		
	Continuing investments £'000	Current Assets – Investments held for sale £'000	Total £'000
At valuation			
At 1 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 31 January 2023	**171,461**	**–**	**171,461**
At 1 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 31 January 2024	**115,833**	**49,549**	**165,382**
At cost			
At 1 February 2022	56,380	6,096	62,476
Additions	2,941	–	2,941
Disposals	–	(6,096)	(6,096)
Provisions	–	–	–
At 31 January 2023	**59,321**	**–**	**59,321**
At 1 February 2023	59,321	–	59,321
Transfers between categories	(4)	4	–
Additions	3,364	–	3,364
Disposals	(16,758)	–	(16,758)
Provisions	–	–	–
At 31 January 2024	**45,923**	**4**	**45,927**

The additions relate to the following transactions in the year:

On 28 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 21 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 9 September 2023 Pantheon formally changed its company name to Pantheon Specialty Group Limited.

Notes to the Consolidated Financial Statements
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12. Investments – Equity Portfolio continued

On 30 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 31 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 31 January 2024 the Group's shareholding in XPT was 29.71% (29.10% on a fully diluted basis).

On 21 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 31 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 19 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 31 January 2024 the Group's equity holding in Lilley Plummer was 30%, which remained unchanged following this redemption.

On 21 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 31 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 20 June 2023 and is currently a dormant company until such time that it receives its own regulatory approvals. On 9 September 2023 Denison and Partners formally changed its company name to Pantheon Specialty Limited.

On 11 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 31 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 31 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 9 October 2023 the Group completed the disposal of its entire 18.7% shareholding in Kentro Capital Limited ("Kentro"), pursuant to an agreement dated 22 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 31 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.

Notes to the Consolidated Financial Statements
continued

12. Investments – Equity Portfolio continued

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 31 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 1 February 2022	134,490
Additions	–
Unrealised gains in this period	23,843
At 31 January 2023	**158,333**
At 1 February 2023	158,333
Additions	–
Unrealised gains in this period	32,527
At 31 January 2024	**190,860**
At cost	
At 1 February 2022	2,143
Additions	–
At 31 January 2023	**2,143**
At 1 February 2023	2,143
Additions	–
At 31 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 31 January 2024 £	Profit/(loss) for the year to 31 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 31 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 31 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.

Notes to the Consolidated Financial Statements
continued

13. Current Investments – Treasury Portfolio

Group	2024 £'000	2023 £'000
At valuation		
Market value at 1 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 31 January	**27,525**	**11,337**
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 31 January 2024, of the total £27,525,222 held within the funds (as at 31 January 2023: £11,336,879), only £78,462 (31 January 2023: £590,897) was risk bearing, with the remaining funds of £27,446,760 (31 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 1 February 2023 (Note 12). On 9 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 1 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 31 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 31 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 31 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 1 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.

Notes to the Consolidated Financial Statements
continued

15. Loans and Receivables – Non-Current

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'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 31 January 2024 was £107,718 (31 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 1 February	–	–	–	–
Decrease in allowance recognised in the Statement of Comprehensive Income	–	–	–	–
Balance at 31 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.

Notes to the Consolidated Financial Statements
continued

17. Deferred Tax Liabilities – Non-Current

	Group £'000	Company £'000
At 1 February 2022	1,898	–
Tax movement relating to investment revaluation for the year (Note 9)	3,733	–
At 31 January 2023	**5,631**	**–**
At 1 February 2023	5,631	–
Tax movement relating to investment revaluation for the year (Note 9)	1,056	–
At 31 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 31 January 2024 (2023: £5,631,000).

The deferred tax provision of £6,687,000 as at 31 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 31 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 1 April 2023. This change in tax rate has not had a material impact on the Group financial statements for the year ended 31 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 £'000	2023 £'000	2024 £'000	2023 £'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 £'000	2023 £'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).

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

On 9 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 31 January 2023 to 37,288,000 as at 31 January 2024.

As at 31 January 2024 a total of 77,550 ordinary shares were held by the Company in Treasury (31 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.

Notes to the Consolidated Financial Statements
continued

19. Called Up Share Capital continued

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 16 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 16 January 2023, and in accordance with its Share Buy-Back Policy announcement on 17 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 14 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 1 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 31 January 2023	**3,747**	**29,350**	**106,509**	**393**	**7**	**72**	**49,459**	**189,537**
At 1 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 31 January 2024	**3,729**	**29,345**	**112,768**	**393**	**25**	**72**	**82,839**	**229,171**

Company	Share capital £'000	Share premium account £'000	Fair value reserve £'000	Capital redemption reserve £'000	Capital contribution reserve £'000	Retained earnings £'000	Total £'000
At 1 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 31 January 2023	**3,747**	**29,350**	**156,190**	**7**	**–**	**4,427**	**193,721**
At 1 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 31 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 1 February 2022	836
Depreciation charge	(165)
At 31 January 2023	**671**
At 1 February 2023	671
Depreciation charge	(164)
At 31 January 2024	**507**

Notes to the Consolidated Financial Statements
continued

21. Leases continued

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 31 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 26 June 2020 (as amended on 1 June 2023) the Group entered into an agreement to provide Sage Program Underwriters, Inc. with a loan facility of USD 300,000. As at 31 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 9 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 31 January 2023 (agreed in prior years). £300,000 of the loan facility was drawn down on completion and as at 31 January 2024 total loans outstanding amounted to £3,300,000, leaving a remaining undrawn facility of £300,000.

On 21 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 31 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).

Notes to the Consolidated Financial Statements
continued

23. Financial Instruments continued

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 30 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 31 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 31 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 31 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 31 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 31 January 2024 was 11.4x (2023: 13.8x).

If the multiple used to value each unquoted investment valued on an earnings basis as at 31 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 31 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%).

Notes to the Consolidated Financial Statements
continued

24. Share Based Payment Arrangements

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

On 12 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 12 June 2018. Following the acquisition of the Trustee by JTC Plc on 10 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 12 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 31 January 2022.

During the year to 31 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 31 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 26 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 31 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 31 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 31 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 31 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 31 January 2022 and 18,155 unallocated ordinary shares transferred from the Employee Benefit Trust to the SIP Trust in April 2022).

On 14 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.

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 31 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.

Notes to the Consolidated Financial Statements
continued

24. Share Based Payment Arrangements continued

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

On 17 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 31 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 31 January 2024, 31 January 2025 and 31 January 2026 ("Performance Period"). The first exercise date is 6 September 2026 whereby 50% of vested Options will be exercisable at 10p per share, with the remaining 50% exercisable at 10p per share from 6 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	17 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 1 February 2023 (i.e. the three periods ending on 31 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 6 September 2026 (whichever is the latter) with the remaining 50% being capable of exercise after 6 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 31 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.

Notes to the Consolidated Financial Statements
continued

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 £'000	2023 £'000
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 9 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 £'000	2023 £'000
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).

Notes to the Consolidated Financial Statements

continued

26. Events After the Reporting Date

Group

On 22 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 27 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 29 May 2024, with a remaining undrawn facility of £909,875 at the date of this report.

As at 31 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 10 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 16 April 2024, further to the agreement entered into on 10 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 31 January 2024.

On 17 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 31 January 2024 to 61.86% at the date of this report.

On 2 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 21 May 2024. As at 31 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 9 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 31 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 13 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 31 January 2024 to 28.91% at the date of this report.

Company

On 2 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 31 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

A review of the Group's objectives, policies and processes for managing and monitoring risk is set out in the Financial Risk Management section of the Group Strategic Report on pages 50 to 53.

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.

Notes to the Consolidated Financial Statements
continued

27. Financial Risk Management continued

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 £'000	2023 £'000	2024 £'000	2023 £'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 31 January 2024 the Group had no borrowings (31 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 31 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 31 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 31 January 2024	Sterling £'000	Australian dollar £'000	US dollar £'000	Other £'000	Total £'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 31 January 2023	Sterling £'000	Australian dollar £'000	US dollar £'000	Other £'000	Total £'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.

Notes to the Consolidated Financial Statements
continued

27. Financial Risk Management continued

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.

Company Information

Directors
Brian Marsh OBE *(Chairman)*
Alice Foulk *(Managing Director)*
Jonathan Newman *(Group Director of Finance)*
Daniel Topping *(Chief Investment Officer)*
Pankaj Lakhani *(Non-executive)*
Nicholas Carter *(Non-executive)*

Company Secretary
Sinead O'Haire

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