

# Half-Year Results

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B.P. Marsh & Partners PLC  
17 October 2023

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**B.P. Marsh & Partners Plc**  
**("B.P. Marsh", "the Company" or "the Group")**

**Half-Year Results**

B.P. Marsh & Partners Plc (AIM: BPM), the specialist investor in early stage financial services businesses, announces its unaudited Group Half-Year Results for the six months to 31 July 2023 (the "Period").

**Highlights:**

- Net Asset Value at 31 July 2023 £203.5m (31 January 2023: £189.5m; 31 July 2022 £179.8m)
- Net Asset Value per share 567.3p (31 January 2023: 526.2p; 31 July 2022: 499.0p)
- Consolidated profit before tax of £15.6m for the Period (six months to 31 July 2022: £17.0m; year ending 31 January 2023: £27.6m)
- Total Shareholder return of 7.9% for the Period including the aggregate dividends paid in February and July 2023 (13.7% for the 12 months since 31 July 2022, inclusive of the dividends paid in February and July 2023)
- Cash of £4.3m as at 31 July 2023
- Current cash of £51.0m, following receipt of the proceeds from the sale of Kentro

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

*"I am pleased that we have delivered a strong set of results, both in terms of increasing the value of the portfolio and investment realisations. This gives the Company the ability to reinvest in a portfolio that is growing in value, and source new investment opportunities, alongside returning value to shareholders."*

**Analyst briefing:**

An analyst presentation, hosted by the Company, will be held at 10:00am today. Please contact Tim Pearson at Tavistock Communications on 07983118502 or [tim.pearson@tavistock.co.uk](mailto:tim.pearson@tavistock.co.uk) should any analyst wish to attend.

**Investor presentation:**

B.P. Marsh will also provide a presentation for all existing and potential shareholders via the Investor Meet Company platform on 18 October 2023 at 11:00am.

Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9am the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet B.P. Marsh via:

<https://www.investormeetcompany.com/bp-marsh-partners-plc/register-investor>

#### Note

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

For further information, please visit [www.bpmarsh.co.uk](http://www.bpmarsh.co.uk) or contact:

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#### Notes to Editors:

B.P. Marsh's current portfolio contains fourteen companies. More detailed descriptions of the portfolio can be found at [www.bpmarsh.co.uk](http://www.bpmarsh.co.uk).

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

#### Statement by the Chairman and Managing Director

We are pleased to present the unaudited Consolidated Financial Statements of B.P. Marsh & Partners Plc for the six month Period to 31 July 2023.

#### Half-Year Results

During the Period the Group's Net Asset Value ("NAV") has grown by £14.0m from £189.5m (31 January 2023) to £203.5m which, together with the dividends paid in February 2023 and July 2023, represents an increase of 7.9%. NAV per share as at 31 July 2023 is 556.3p on a fully diluted basis, an increase of 39.4p from 31 January 2023.

As previously announced, the Group has completed two new investments during the Period. These were into the London-based Managing General Agency, Verve Risk Services Limited, and the newly incorporated holding company Pantheon Specialty Limited (since changed to Pantheon Specialty Group Limited) that concurrently acquired the Lloyd's Broker Denison And Partners Limited. The Group is pleased to have partnered with such strong management teams and is looking forward to watching these companies flourish.

The Group also announced the conditional sale of its shareholding in Kentro Capital Limited ("Kentro") in May 2023 for £51.5m net of all costs. As subsequently announced on 9 October 2023 all conditions were met and the Group received

£51.5m in proceeds.

We believe the successful sale of Kentro underpins B.P. Marsh's approach to its valuation methodologies and demonstrates that our track record is both reliable and reasonable. The sale of Kentro for £51.5m represents an IRR of 24% inclusive of income and fees and a money multiple on the equity investment of 3.41x.

As the remainder of 2023 continues, the Group is in a strong position from a cash and new business perspective to capitalise on opportunities both within our current portfolio and outside of it. As supportive investors, we intend to ensure that the capital requirement needs of our portfolio can be met to aid further growth whilst also ensuring we are able to invest in attractive new business opportunities which fit the Group's criteria.

With the receipt of the proceeds of sale from Kentro, the Board has declared a special dividend of 2.78p per ordinary share to be paid on 24 November 2023 to all shareholders on the Register as at 27 October 2023. The Group also reminds its shareholders that the intention is to pay an aggregate dividend of £2.0m in 2024, via an interim dividend of £1.0m around February 2024 and a final dividend of £1.0m in July 2024 subject to Shareholder Approval, and to replicate this for the subsequent two financial years.

The Board of B.P. Marsh intends to continue to strike a balance between utilising sale proceeds for investment for long-term capital growth, whilst providing shareholders with a meaningful ongoing return. The Board continues to discuss its aim to return meaningful levels of capital to shareholders and will provide more information in due course.

The Group remains acutely aware of the ongoing difficulties faced by the wider economic environment. Given the fact that the Group remains debt free and has a two-pronged investment approach of both equity and loan funding that has been benchmarked against the base rate, we have managed to avoid being adversely impacted by the increasing interest rates. The Group has continuously monitored the impact of the rising cost of living on its employees and intervened when it felt appropriate.

On 6 September 2023, the Board, on the recommendation of the Remuneration Committee, adopted the B.P. Marsh & Partners plc 2023 Share Option Plan ("Option Plan"). It is the belief of the Chairman and Managing Director that the current Team at B.P. Marsh is the best suited to take it into the next stage of growth and proper incentivisation is key to retaining the talent within the employee base, and further aligning employees' interests with those of our shareholders. The Option Plan is a discretionary employee share plan under which selected employees and executive directors may be granted options, with a nil-cost, nominal value or market value exercise price, to acquire shares in the Company if certain pre-determined conditions are satisfied. It is envisaged that no options will be granted under the Option Plan which would cause the number of shares to be issued under the Option Plan to exceed 4.5% of the issued share capital of the Company. Further details of the Option grants awarded under the Option Plan will be announced in due course.

The Group is pleased with its performance to 31 July 2023, demonstrating once again the success of its track record and has positioned itself in a place to be able to utilise the proceeds of sale from Kentro effectively.

**Brian Marsh**

**Chairman**

17 October 2023

**Alice Fouk**

**Managing Director**

17 October 2023

### **Chief Investment Officer's Portfolio Update, New Business and Outlook**

As announced on 23 May 2023, the Group agreed to sell its 18.7% shareholding in Kentro to Brown & Brown, Inc for £51.5m. The sale completed on 9 October 2023 at which point the Group received £51.5m in cash.

The investment and subsequent sale of Kentro illustrates the Group's capability to source niche investment opportunities, back successful management teams and successfully realise value for our shareholders. This disposal delivered an Internal Rate of Return of 23.7% (inclusive of all income and fees) and a money multiple on the equity investment of 3.41x.

In the six month period to 31 July 2023 the underlying portfolio continued to perform well.

Over the Period, the valuation of the Group's equity portfolio has increased by 8.6% adjusting for additions and disposals, with NAV increasing by 7.3%.

Over the past 12 months, the equity portfolio has increased by 16.1% adjusting for additions and disposals, with NAV increasing by 13.2%.

The Group's cash balance of £51.0m will allow the Group to continue to:-

- identify businesses with strong management teams and good growth potential;
- help fund, support, and develop these companies so they can deliver on growth opportunities; and
- produce returns from investments made for our shareholders, via a blend of ongoing equity growth of the portfolio and regular returns of capital to shareholders via dividends.

The Group remains focussed on sourcing new business and has an active pipeline of new business opportunities which are currently being considered.

In the period, the Group completed two new investments, as follows:-

- Verve Risk Services Limited ("Verve") - 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.
- Pantheon Specialty Limited ("Pantheon") - A London-based start-up broker, led by Rob Dowman, a recognised leading London Market Casualty broker, specialising in complex liability placements worldwide.

B.P. Marsh is well-known in the financial services (sub)sector in which it specialises, with a focus on Insurance Brokers and Managing General Agencies.

The Group continues to focus on investing in niche SME sectors backed by experienced and capable management teams, which will create long term growth and consequential value.

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

Across the global property and casualty market rates continue to rise, although the pace is slowing. In the second quarter of 2023, across the whole insurance industry, rates increased by 3%. Whilst this is the 23rd consecutive quarter of rate increases, the increase is down from the peak of 22% in the fourth quarter of 2020.

Rate increases were relatively consistent across all regions in which our portfolio operates; rate increases were highest in property classes (+10% in Q2 2023), more modest in casualty classes (+3% in Q2 2023) and declined across financial and professional lines (-8% in Q2 2023).

Property rates were mainly driven by costs of reinsurance, strong capacity demand, limited new entrants to the market and ongoing losses.

Overall, the Group does not anticipate the market returning to the pricing of the last soft market in the short to medium term.

Turning to the insurance M&A market, whilst the number of transactions are down from a recent peak in 2021, they are static with 2022 and there remains a strong demand for specialty MGAs and brokers. Given the niche businesses in which the Group invests, the business is well positioned to take advantage of the current M&A market, both on the buy and sale side.

## **Portfolio Update**

### **New Investments**

Within the six month period to 31 July 2023, the Group completed on two acquisitions:-

#### **Pantheon Specialty Group Limited ("Pantheon")**

##### **+ 0.4 pence NAV per share change in the Period**

In June 2023, B.P. Marsh subscribed for a 25% stake in Pantheon, a new holding company established in partnership with Robert Dowman.

Robert Dowman has over 30 years of experience in the insurance industry, starting his career in 1989 at the Lloyd's Broker Gallagher Plumer where he spent six years before joining Jardine Insurance Brokers in 1995. Robert then joined Besso's Casualty Division in 2000, becoming Managing Director of Besso Global Casualty in 2007 and Joint CEO of Besso Group and Besso Limited in 2015.

With the support of B.P. Marsh, Robert Dowman wants to build a market leading independent specialist broker across multiple markets.

Since investment, Robert Dowman has hired a number of key individuals. This team is recognised as leading London Market Casualty brokers, specialising in complex liability placements worldwide.

Pantheon provided B.P. Marsh with an excellent opportunity to invest in a business with a well-established and highly experienced leadership team and strong growth potential over the coming years.

In September 2023, post period end, the Company provided a loan facility of £3.0m to Pantheon for working capital purposes.

Date of initial investment: June 2023

31 July 2023 valuation: £0.1m

Cost of Equity: £25

Equity stake: 25%

#### **Verve Risk Services Limited ("Verve")**

##### **0.0 pence NAV per share change in the Period**

In April 2023, the Group announced that it had acquired a 35% Cumulative Preferred Ordinary shareholding in Verve, a London-based Managing General Agency.

Verve specialises in Professional and Management Liability business for the insurance industry in the USA, Canada, Bermuda, Cayman Islands and Barbados.

Since investment, Verve has performed well, outperforming its budget for the months following the involvement of B.P. Marsh.

The Group looks forward to continuing its support for Verve and its Management Team over the coming years, supporting the business to achieve its long term ambitions and goals.

Date of initial investment: April 2023

31 July 2023 valuation: £0.44m

Cost of Equity: £0.4m

Equity stake: 35%

### **Follow-on Investments and Funding**

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

##### **+ 30.3 pence NAV per share change in the Period**

Paladin, the holding company for CBC, the London based Lloyd's insurance broker, continues to trade significantly ahead of budget in 2023.

At 31 July 2023 Paladin had achieved £7.5m of consolidated adjusted EBITDA for seven months' trading against a full year budget of £5.5m, up 183% over the prior year period (£2.7m).

The growth year-on-year has been achieved through a combination of new hires, new product lines and organic growth.

From the time of our original investment, through to 31 July 2023, the Group's valuation in CBC has risen significantly, with the Group's shareholding now valued at £30.5m.

This represents an equity value uplift of £11.3m or 59% over the prior valuation at 31 January 2023. Over the period from 31 July 2022, B.P. Marsh's equity value in CBC has increased by £20.6m or 209%.

The Group has also provided Paladin / CBC with further funding, as follows:-

- In July 2023, the Group lent Paladin £1.5m which, together with its own funds, enabled CBC to repay its £2.7m loan from Coutts & Co; and
- In August (post period end), the Group lent Paladin a further £0.8m. This enabled Paladin to exercise a Call Option with the Group over 5.9% of shares in Paladin which the Group owned. Once acquired, these shares were cancelled.

Date of initial investment: February 2017

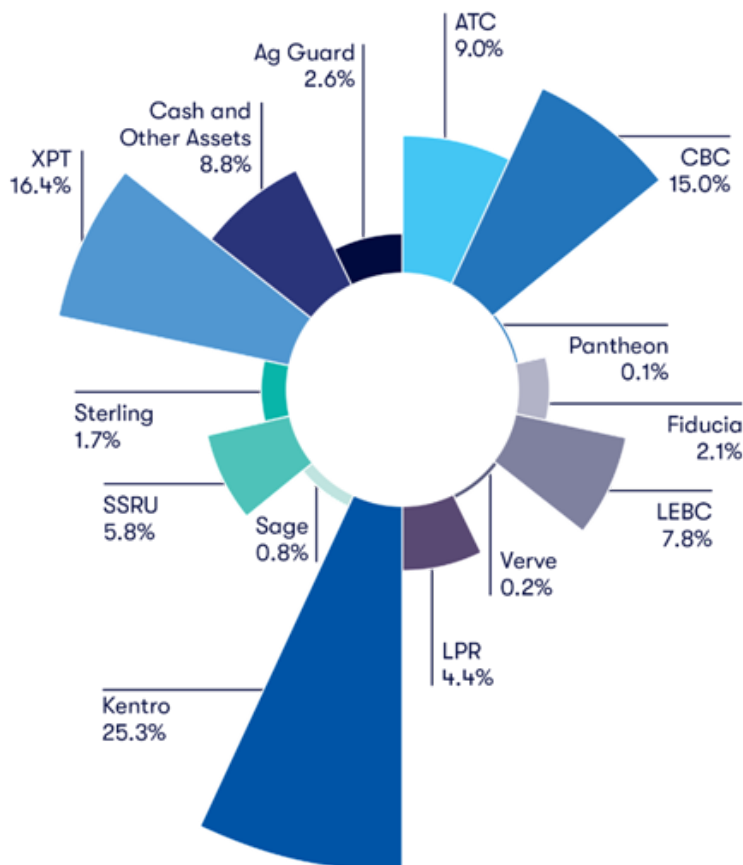
31 July 2023 valuation: £30.5m

Cost of Equity: £0.8m

Equity stake: 47.1%

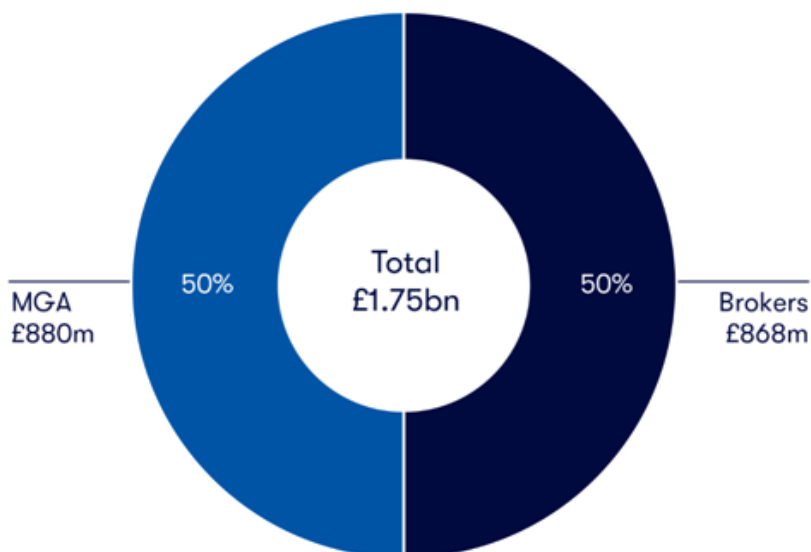
#### **NAV breakdown by portfolio company**

The composition of B.P. Marsh's underlying investment portfolio can be found here:



The Group's current investments are in the Insurance Intermediary sector, with the exception of the independent financial adviser LEBC.

These insurance investments are budgeting to produce in the aggregate £1.75bn of insurance premium during 2023 (2022: £1.32bn), and a breakdown between brokers and MGAs can be found here:-



\*The GWP figures shown are inclusive of Kentro's GWP numbers.

**Insurance Brokers**

Investments:

Brokers	Date of Investment	Jurisdiction	Equity % at 31 July 2023	Cost of Investment	Valuation at 31 July 2023	% of NAV at 31 July 2023	Internal rate of return to 31 July 2023	Current Multiple on Invested Capital
CBC	Feb-17	UK	47.06%	£803,500	£30,530,000	15.0%	42.72%	38.0x
Lilley Plummer Risks	Oct-19	UK	30.00%	£308,242	£8,861,000	4.4%	87.52%	28.75x
Pantheon Specialty	Jun-23	UK	25.00%	£25	£132,000	0.1%	747.70%	(NA - over 1000x)
Asia Reinsurance Brokers	Apr-16	Singapore	25.00%	£1,551,084	£0	0.0%	-21.74%	-

The Group's Broking investments are budgeting to place over £868.0m of GWP (\*2022: £547.8m), producing over £76.0m (2022: £57.1m) of commission income in 2023, accessing specialty markets around the world.

#### Underwriting Agencies / Managing General Agents ("MGAs")

Investments:

MGAs	Date of Investment	Jurisdiction	Equity % at 31 July 2023	Cost of Investment	Valuation at 31 July 2023	% of NAV at 31 July 2023	Internal rate of return to 31 July 2023	Current Multiple on Invested Capital
Kentro	Aug-14	UK	18.70%	£15,126,554	£51,522,000	25.3%	24.28%	3.41x
XPT	Jun-17	USA	27.30%	£10,138,626	£33,444,000	16.4%	30.62%	3.30x
ATC	Jul-18	Australia	25.39%	£3,345,229**	£18,261,000	9.0%	39.45%	5.45x (NA - over 1000x)
SSRU Ag	Jan-17	Canada	30.00%	£19	£11,870,000	5.8%	101.66%	1000x)
Guard	Jul-19	Australia	41.00%	£1,465,071	£5,390,000	2.6%	44.92%	3.68x
Fiducia	Nov-16	UK	35.18%	£227,909	£4,301,000	2.1%	23.84%	18.87x
Sterling	Jun-13	Australia	19.70%	£1,945,411	£3,527,000	1.7%	10.03%	1.81x
Sage	Jun-20	USA	30.00%	£202,758	£1,599,000	0.8%	98.71%	7.89x



Verve	Apr-23	UK	35.00%	£430,791	£431,000	0.2%	0.08%	1.0x
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The Group's MGAs are budgeting to place c.£880.0m of GWP (\*2022: £755.6m), producing over £108.0m (2022: £94.1m) of commission income in 2022, across over 30 product areas, on behalf of more than 50 insurers.

### IFA Investment

Investment:

	Date of Investment	Jurisdiction	Equity % at 31 July 2023	Cost of Investment	Valuation at 31 July 2023	% of NAV at 31 July 2023	Internal rate of return to 31 July 2023	Current Multiple on Invested Capital
LEBC Holdings Limited	April-07	UK	59.34%	£12,373,657	£15,947,000	7.8%	8.33%	1.29x

### **LEBC Holdings Limited ("LEBC") - London, United Kingdom**

#### **0.0 pence NAV per share change in the Period**

LEBC has two wholly owned subsidiaries, Aspira Corporate Solutions Limited ("Aspira") and LEBC Group Limited ("LEBC Group")

Post period end, in August 2023, Aspira acquired the trading assets and personnel of its sister company, LEBC Group.

This combination brings together the expertise of the two businesses under one brand and will result in an enhanced service for both its individual and corporate clients.

The combined entity will continue to provide pensions and investment advice to more than 1,600 corporate entities and over 15,000 individuals with circa £4bn of assets under advice.

This consolidation follows a Management-led restructuring process which has had the full support of B.P. Marsh, being in the best interest of all LEBC stakeholders.

The transfer of assets has received consent from the Financial Conduct Authority, following extensive consultation.

Date of initial investment: April 2007

31 July 2023 valuation: £15.9m

Cost of Equity: £12.4m

Equity stake: 59.3%

### **Portfolio Company Highlights:**

#### **Lilley Plummer Risks Limited ("Lilley Plummer")**

#### **+ 5.0 pence NAV per share change in the Period**

The performance of Lilley Plummer continues to be impressive, which is due to the growth of its underlying marine portfolio and diversification into different classes of business, including North American Property.

The strong performance of Lilley Plummer has allowed the business to return £1.0m to the Group as follows:-

- The redemption of B.P. Marsh's £0.7m of Redeemable Shares; and
- The repayment of B.P. Marsh's £0.3m outstanding loan facility with Lilley Plummer.

This redemption and repayment demonstrates Lilley Plummer's ability to continually grow their business from a revenue and EBITDA standpoint, whilst accumulating strong cash balances. EBITDA has grown from c.£412k in 2020, to c. £1.95m in 2022, with this growth continuing into 2023.

Lilley Plummer's core Marine book has continued to perform well. The marine insurance market on the whole has enjoyed a positive 2023 with premium income increasing and insurer loss ratios tracking much lower than previous years. The situation with Ukraine and Russia continues to create uncertainty with war risk premiums remaining high.

Lilley Plummer's new North American Property team have also performed well since joining the business, significantly outperforming both their revenue and EBITDA budget.

Lilley Plummer remains actively looking at new opportunities, within and outside of its core marine offering and the Group is confident regarding its performance over the course of the current financial year and beyond.

#### **Stewart Specialty Risk Underwriting Ltd ("SSRU")**

##### **+ 2.3 pence NAV per share change in the Period**

Performance of the Group's Canadian investment, SSRU, remains strong:

- In SSRU's year to 31 December 2022, Gross Written Premium exceeded CA\$ 75m, with the budget of c. CA\$ 83m for 2023;
- Given historic growth, the Group expect SSRU to surpass Gross Written Premium of CA\$ 100m in 2024; and
- EBITDA has more than doubled since 2020, from c. CA\$ 3.5m to CA\$ 7.8m, with further growth expected into 2024.

SSRU is focusing on organic growth of existing, highly profitable business lines, via the increased line sizes afforded by new capacity relationships. SSRU also continue to pursue M&A opportunities, new business lines and alternative sources of capacity.

Date of initial investment: January 2017

31 July 2023 valuation: £11.9m

Cost of Equity: £19

Equity stake: 30.0%

#### **XPT Group LLC ("XPT Group")**

##### **- 1.8 pence NAV per share change in the Period**

XPT Group's performance since its inception continues to be impressive, with the business expecting to produce Gross Written Premium of c. US\$ 700m in its current financial year to 31 December 2023 (2022: US\$ 500m).

XPT's two most recent acquisitions, Cal Inspection Bureau, a premier underwriting survey and audit business, and Craig and Leicht, a Texas-based wholesale agency, have both performed well since joining XPT in the first quarter of 2023.

XPT Group continues to grow via its acquisition strategy, producer hires and underlying organic growth.

The Group remains positive regarding the ongoing performance of XPT and its next stage of growth over the years to come.

Date of investment: June 2017

31 July 2023 valuation: £33.4m

Cost of Equity: £10.1m

Equity stake: 27.3%

### **Dan Topping**

#### **Chief Investment Officer**

17 October 2023

### **Group Finance Director Update**

The Group's equity investment portfolio continued to increase in value, rising by 8.6% to £185.8m (31 Jan 2023 £171.5m) adjusting for £0.8m of net investment realisations. Overall, the NAV of the Group increased by £14.0m (7.3%) to £203.5m, compared with an increase of £13.2m (7.9%) in the same period in 2022. Including the dividends paid in February 2023 and July 2023 of £1.0m in aggregate, this represented an overall return of 7.9% for the Period.

The lower increase compared with the same period in 2022 was due to foreign exchange movements.

The Group's results for the Period were impacted by the strengthening of Pound Sterling in its overseas investments with an overall £3.8m decrease in NAV attributed to foreign exchange movement, compared with a £5.8m gain in the same period in 2022. Adjusting for this, the increase for the Period would have been £17.8m (9.4%) compared with an increase of £7.4m (4.4%) in the prior period.

Over the year to 31 July 2023 the NAV has increased by £23.7m or 13.2%. Including the £1.0m aggregate dividend paid in February 2023 and July 2023 this represents an overall return of 13.7%.

The NAV of £203.5m at 31 July 2023 represents a total increase in NAV of £174.3m 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 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 8.9% in Group NAV after running costs, realisations, losses, distributions and corporation tax since flotation and 11.8% since 1990.

Income from the portfolio for the Period increased significantly from £2.5m in H1 2022 to £4.0m. Dividend income was £0.6m higher due to strong investment portfolio performance, whilst loan interest increased by £0.5m as a result of new loans granted and higher interest rates charged due to UK base rate increases. Fee income also increased by £0.3m due to one off transaction and loan arrangement fees charged.

A significant proportion of the increase in operating expenses to £2.8m in the Period from £2.1m in H1 2022 related to increased staff costs of £0.5m in line with the Company's financial performance, together with increased legal and professional fees of £0.2m in relation to the various new investment and follow-on transactions (although these costs were covered by one-off fees charged to the relevant investee company).

The Group's strategy is to cover expenses from the portfolio yield. On an underlying basis, excluding investment activity (unrealised gains on equity revaluation), this was achieved with a pre-tax profit of £0.8m for the Period (H1 2022: £0.7m).

#### Current Assets - Investment assets held for sale

The balance of £52.3m at 31 July 2023 represents £51.5m for the investment in Kentro which completed on 9 October 2023, and £0.8m for Paladin in relation to shares held under an Option agreement which were exercised on 14 August 2023. At 31 January 2023 these amounts were included within Equity Portfolio investments as non-current assets.

### Loan Portfolio

In addition to the provision of equity to the investment portfolio, the Group often provides loan financing either as part of the original investment structure, or for follow-on funding to enable further growth through acquisitions or working capital for recruitment and product development.

The loan portfolio increased by £6.3m during the Period to £17.8m at 31 July 2023 (31 July 2022: £9.2m, 31 January 2023: £11.5m). The Group provided £8.2m in new loans - £4.9m to XPT, £2.0m to Paladin, £0.7m to Denison and £0.6m to Verve. £1.6m was received in loan repayments - £0.8m from XPT, £0.5m from Fiducia and £0.3m from Lilley Plummer. In addition there was a £0.3m reduction due to foreign exchange movements.

Since 31 July 2023 the Group has provided £4.6m in further loans, including £3.0m to Pantheon and £0.8m to Paladin, and the loan portfolio balance is currently £22.4m.

### Liquidity

As at the Period-end, the Group had total available cash and treasury funds of £4.3m (31 Jan 2023: £12.1m). Between 31 January 2023 and 31 July 2023 the Group provided loans to the investment portfolio of £8.2m. In addition, the Group paid dividends totalling £1.0m and bought back £0.7m in shares.

During the Period the Group also received £0.7m of proceeds from the redemption of preferred shares held in Lilley Plummer and £1.6m in loan repayments.

Since 31 July 2023 the Group has provided a further £4.6m in loans as follow-on funding into the existing portfolio and received £0.8m in net realisations relating to shares in Paladin held by the Group under a call option arrangement, which were bought back by Paladin.

On 9 October 2023 the Group completed the sale of its 18.7% shareholding in Kentro for £51.5m. Post a loan granted on 9 October 2023 the Group's current available cash is £51.0m.

The Group is debt free.

### Diluted NAV per share

The NAV per share at 31 July 2023 is 567.3p (31 July 2022: 499.0p, 31 January 2023: 526.2p). As part of a long-term share incentive plan for certain directors and employees of the Group, in June 2018 1,461,302 shares were issued to an Employee Benefit Trust at 281 pence per share.

On 12 June 2021 (the "vesting date") the performance criteria were met for 1,206,888 of 1,443,147 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.

Whilst these shares remain within the Employee Benefit Trust, they do not have voting or dividend rights. However, if the shares are sold in the future in excess of 281 pence per share, the Group would be entitled to receive £4,055,243 and

these shares would become entitled to voting and dividend rights and therefore would become dilutive. Overall, this would therefore dilute the NAV per share as at 31 July 2023 to 556.3p (31 July 2022: 490.8p, 31 January 2023: 516.9p).

**Jon Newman**

**Group Finance Director**

17 October 2023

**Investments**

**As at 31 July 2023 the Group's equity interests were as follows:**

**Ag Guard PTY Limited**

[www.agguard.com.au](http://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 July 2023 valuation: £5,390,000*

**Asia Reinsurance Brokers (Pte) Limited**

[www.arbrokers.asia](http://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 July 2023 valuation: £0*

**ATC Insurance Solutions PTY Limited**

[www.atcis.com.au](http://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 July 2023 valuation: £18,261,000*

**CBC UK Limited**

[www.cbcinsurance.co.uk](http://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: 41.2%*

*31 July 2023 valuation: £30,530,000*

**Criterion Underwriting (Pte) Limited**

Criterion was established to provide specialist insurance products to a variety of clients in the cyber, financial lines and marine sectors in Far East Asia, based in Singapore.

*Date of investment: July 2018*

*Equity stake: 29.4%*

*31 July 2023 valuation: £0*

**The Fiducia MGA Company Limited**

([www.fiduciamga.co.uk](http://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 July 2023 valuation: £4,301,000*

**LEBC Holdings Limited**

([www.lebc-group.com](http://www.lebc-group.com))

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 July 2023 valuation: £15,947,000*

**Lilley Plummer Risks Ltd**

([www.lprisks.co.uk](http://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 July 2023 valuation: £8,861,000*

**Kentro Capital Limited**

([www.kentrocapiatal.com](http://www.kentrocapiatal.com))

Kentro is an independent Managing General Agency and Broker specialising in the provision of directors & officers, professional indemnity, financial institutions, accident & health, trade credit, political risks insurance, surety, bond and latent defect insurance, both in the UK and globally.

*Date of investment: August 2014*

*Equity stake: 18.7%*

*31 July 2023 valuation: £51,522,000*

**Pantheon Specialty Group Limited**

([www.pantheonspecialty.com](http://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 July 2023 valuation: £132,000*

**Sage Program Underwriters, Inc.**

([www.sageuw.com](http://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 July 2023 Valuation: £1,599,000*

**Stewart Specialty Risk Underwriting Ltd**

([www.ssrucanada.com](http://www.ssrucanada.com))

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 July 2023 valuation: £11,870,000*

**Sterling Insurance PTY Limited**

([www.sterlinginsurance.com.au](http://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: 49.9%*

*31 July 2023 valuation: £3,527,000*

**Verve Risk Services Limited**

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 July 2023 valuation: £431,000*

**XPT Group LLC**

([www.xpt-specialty.com](http://www.xpt-specialty.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: 27.3%*

*31 July 2023 valuation: £33,444,000*

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

**Forward-looking statements:**

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

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

## Half Year Consolidated Financial Statements

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31<sup>ST</sup> JULY 2023

	Notes	Unaudited		Unaudited		Audited	
		6 months to		6 months to		Year to	
		31 <sup>st</sup> July 2023		31 <sup>st</sup> July 2022		31 <sup>st</sup> January 2023	
		£'000	£'000	£'000	£'000	£'000	£'000
<b>GAINS ON INVESTMENT</b>							
Realised (losses) / gains on disposal of equity investments (net of costs)		(41)		155		155	
Release of provision made against equity investments and loans		12		7		30	
Unrealised gains on equity investment revaluation	4	14,755		16,212		27,275	
			14,726		16,374		27,460
<b>INCOME</b>							
Dividends		2,280		1,636		3,119	
Income from loans and receivables		815		326		749	
Fees receivable		860		580		1,051	
			3,955		2,542		4,919
<b>OPERATING INCOME</b>			18,681		18,916		32,379
Operating expenses			(2,844)		(2,066)		(4,889)
<b>OPERATING PROFIT</b>			15,837		16,850		27,490
Financial income		95		77		130	
Financial expenses		(25)		(42)		(88)	
Exchange movements		(349)		122		58	
			(279)		157		100
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			15,558		17,007		27,590
Income taxes			(6)		(2,910)		(3,747)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>							
<b>ATTRIBUTABLE TO EQUITY HOLDERS</b>	7		£15,552		£14,097		£23,843



<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	7	<u>£15,552</u>	<u>£14,097</u>	<u>£23,843</u>
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Earnings per share - basic (pence)	3	43.3p	39.1p	66.2p
Earnings per share - diluted (pence)	3	41.6p	37.6p	63.6p

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> JULY 2023

(Company Number: 05674962)

	Notes	Unaudited 31 <sup>st</sup> July 2023		Unaudited 31 <sup>st</sup> July 2022		Audited 31 <sup>st</sup> January 2023	
		£'000	£'000	£'000	£'000	£'000	£'000
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment		72		90		79	
Right-of-use asset		590		754		671	
Investments - equity portfolio	4	133,489		160,398		171,461	
Loans and receivables		13,741		4,149		8,120	
			147,892		165,391		180,331
<b>CURRENT ASSETS</b>							
Investments - assets held for sale		52,326		-		-	
Investments - treasury portfolio	5	80		2,563		591	
Trade and other receivables		6,415		6,719		5,283	
Cash and cash equivalents		4,257		11,558		11,564	
			63,078		20,840		17,438
<b>LIABILITIES</b>							
<b>NON-CURRENT LIABILITIES</b>							
Lease liabilities		(505)		(684)		(596)	
Deferred tax liabilities	9	(5,604)		(4,791)		(5,631)	
			(6,109)		(5,475)		(6,227)
<b>CURRENT LIABILITIES</b>							
Trade and other payables		(1,226)		(820)		(1,830)	
Lease liabilities		(180)		(171)		(175)	
			(1,406)		(991)		(2,005)
<b>NET ASSETS</b>			<u>£203,455</u>		<u>£179,765</u>		<u>£189,537</u>

**CAPITAL AND RESERVES - EQUITY**

Called up share capital		3,747	3,747	3,747
Share premium account		29,348	29,346	29,350
Fair value reserve		121,291	96,286	106,509
Reverse acquisition reserve		393	393	393
Capital redemption reserve		7	7	7
Capital contribution reserve		72	72	72
Retained earnings		48,597	49,914	49,459

<b>SHAREHOLDERS' FUNDS - EQUITY</b>	<b>7</b>	<b>£203,455</b>	<b>£179,765</b>	<b>£189,537</b>
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Net Asset Value per share - undiluted (pence)	3	567.3p	499.0p	526.2p
Net Asset Value per share - diluted (pence)	3	556.3p	490.8p	516.9p

The Half Year Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 16<sup>th</sup> October 2023 and signed on its behalf by:

B.P. Marsh & J.S. Newman

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31<sup>ST</sup> JULY 2023**

	Unaudited 31 <sup>st</sup> July 2023 £'000	Unaudited 31 <sup>st</sup> July 2022 £'000	Audited 31 <sup>st</sup> January 2023 £'000
<b>Cash (used by) / from operating activities</b>			
Income from loans to investee companies	815	326	749
Dividends	2,280	1,636	3,119
Fees received	860	580	1,051
Operating expenses	(2,844)	(2,066)	(4,889)
Net corporation tax paid	(33)	(17)	(14)
Purchase of equity investments (Note 4)	(431)	(2,941)	(2,941)
Net proceeds from sale of equity investments	791	8,259	8,259
Net loan (payments to) / repayments from investee companies	(6,592)	1,300	(1,039)
Adjustment for non-cash share incentive plan	58	62	104
Exchange movement	(49)	40	(36)
(Increase) / decrease in receivables	(447)	126	(35)
(Decrease) / increase in payables	(603)	(851)	160
Depreciation and amortisation	94	96	193
<b>Net cash (used by) / from operating activities</b>	<b>(6,101)</b>	<b>6,550</b>	<b>4,681</b>

**Net cash from / (used by) investing activities**

Purchase of property, plant and equipment	(7)	(9)	(11)
Purchase of treasury investments net of cash and cash equivalents (Note 5)	-	(2,506)	(8,371)
Net proceeds from the sale of treasury investments net of cash and cash equivalents (Note 5)	600	-	7,867
<b>Net cash from / (used by) investing activities</b>	<b>593</b>	<b>(2,515)</b>	<b>(515)</b>
<b>Net cash used by financing activities</b>			
Financial income	-	2	2
Financial expenses	(20)	(23)	(47)
Net decrease in lease liabilities	(87)	(83)	(168)
Dividends paid	(1,000)	(1,001)	(1,001)
Payments made to repurchase company shares	(692)	-	(16)
<b>Net cash used by financing activities</b>	<b>(1,799)</b>	<b>(1,105)</b>	<b>(1,230)</b>
Change in cash and cash equivalents	(7,307)	2,930	2,936
Cash and cash equivalents at beginning of the period	11,564	8,628	8,628
<b>Cash and cash equivalents at end of period</b>	<b>£4,257</b>	<b>£11,558</b>	<b>£11,564</b>

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.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> JULY 2023

	Unaudited 6 months to 31 <sup>st</sup> July 2023 £'000	Unaudited 6 months to 31 <sup>st</sup> July 2022 £'000	Audited Year to 31 <sup>st</sup> January 2023 £'000
Opening total equity	189,537	166,607	166,607
Comprehensive income for the period	15,552	14,097	23,843
Dividends paid	(1,000)	(1,001)	(1,001)
Repurchase of company shares	(692)	-	(16)
Share incentive plan	58	62	104
<b>Total equity</b>	<b>£203,455</b>	<b>£179,765</b>	<b>£189,537</b>

Refer to Note 7 for detailed analysis of the changes in the components of equity.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> JULY 2023

### 1. ACCOUNTING POLICIES

#### 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 half year 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 period.

The most significant estimates relate to the fair valuation of the equity investment portfolio as detailed in Note 4 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.

These half year consolidated financial statements were approved by the Board on 16<sup>th</sup> October 2023. They have not been audited nor reviewed by the Group's Auditors, as is the case with the

comparatives to 31<sup>st</sup> July 2022, and do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The financial statements have been prepared using the accounting policies and presentation that were applied in the audited financial statements for the year ended 31<sup>st</sup> January 2023. Those accounts, upon which the Group's Auditor issued an unqualified opinion, have been filed with the Registrar of Companies and do not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

### **Basis of consolidation**

#### *(i) Subsidiaries*

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

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

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

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

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

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

#### *(ii) Associates*

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

### **Business Combinations**

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

All business combinations are accounted for by using the acquisition accounting method. This involves recognising identifiable assets and liabilities of the acquired business at fair value. Goodwill represents the excess of the fair value of the purchase consideration for the interests in subsidiary undertakings over the fair value to the Group of the net assets and any contingent liabilities acquired.

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.

### **Employee services settled in equity instruments**

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

On 12<sup>th</sup> 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. Whilst these shares remain within the Employee Benefit Trust, they do not have voting or dividend rights. However, if the shares are sold from the Employee Benefit Trust in the future in excess of 281 pence per share, the Group would be entitled to receive £4,106,259 in total. These shares would then, post-sale, have voting and dividend rights attached, such that they would become fully dilutive for the Group.

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.

### **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 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 period. 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 recognised gains and losses arising from changes in fair value are shown within the retained earnings as these investments are deemed as being easily convertible into cash. Costs associated with the management of these investments are expensed in the Consolidated Statement of Comprehensive Income.

### **Income from treasury portfolio investments**

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

### **Property, plant and equipment**

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

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

### **Right-of-use asset**

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

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

### **Foreign currencies**

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

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

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

### **Income taxes**

The tax credit or expense represents the sum of the tax currently recoverable or payable and any deferred tax. The tax currently recoverable or payable is based on the estimated taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of

Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's receivable or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the Consolidated Statement of Financial Position.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and of liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and it is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

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

## 2. SEGMENTAL REPORTING

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

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

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

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

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

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

Geographic segment 1:		Geographic segment 2:		Group	
UK		Non-UK			
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
6 months	6 months	6 months	6 months	6 months	6 months
to 31 <sup>st</sup> July	to 31 <sup>st</sup> July	to 31 <sup>st</sup> July	to 31 <sup>st</sup> July	to 31 <sup>st</sup> July	to 31 <sup>st</sup> July
2023	2022	2023	2022	2023	2022
£'000	£'000	£'000	£'000	£'000	£'000



<b>Operating income</b>	15,432	(851)	3,249	19,767	18,681	18,916
Operating expenses	(1,532)	(1,019)	(1,312)	(1,047)	(2,844)	(2,066)
<b>Segment operating profit / (loss)</b>	<b>13,900</b>	<b>(1,870)</b>	<b>1,937</b>	<b>18,720</b>	<b>15,837</b>	<b>16,850</b>
Financial income	51	38	44	39	95	77
Financial expenses	(13)	(21)	(12)	(21)	(25)	(42)
Exchange movements	(43)	32	(306)	90	(349)	122
<b>Profit / (loss) before tax</b>	<b>13,895</b>	<b>(1,821)</b>	<b>1,663</b>	<b>18,828</b>	<b>15,558</b>	<b>17,007</b>
Income taxes	-	-	(6)	(2,910)	(6)	(2,910)
<b>Profit / (loss) for the period</b>	<b>£13,895</b>	<b>£(1,821)</b>	<b>£1,657</b>	<b>£15,918</b>	<b>£15,552</b>	<b>£14,097</b>

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	
	Unaudited 6 months to 31 <sup>st</sup> July 2023	Unaudited 6 months to 31 <sup>st</sup> July 2022	Unaudited 6 months to 31 <sup>st</sup> July 2023	Unaudited 6 months to 31 <sup>st</sup> July 2022	Unaudited 6 months to 31 <sup>st</sup> July 2023	Unaudited 6 months to 31 <sup>st</sup> July 2022
<b>Investee Company</b>						
Paladin Holdings Limited <sup>1</sup>	11,984	-	64	-	1	-
Lilley Plummer Holdings Limited <sup>1</sup>	2,072	-	11	-	1	-
XPT Group LLC <sup>1</sup>	-	8,939	-	47	-	2
ATC Insurance Solutions PTY Limited <sup>1</sup>	-	4,709	-	25	-	2
Stewart Specialty Risk Underwriting Limited <sup>1</sup>	-	3,697	-	20	-	2
Agri Services Company PTY Limited <sup>1</sup>	-	1,938	-	10	-	2

<sup>1</sup>There are no disclosures for XPT Group LLC, ATC Insurance Solutions PTY Limited, Stewart Specialty Risk Underwriting Limited and Agri Services Company PTY Limited in the current period as the income derived from these investee companies did not exceed the 10% threshold prescribed by IFRS 8. There are also no disclosures shown for Paladin Holdings Limited and Lilley Plummer Holdings Limited in the prior period as the income derived from these investee companies did not exceed the 10% threshold prescribed by IFRS 8 in that period.

Geographic segment 1: UK		Geographic segment 2: Non-UK		Group	
Unaudited 6 months to 31 <sup>st</sup> July 2023 £'000	Unaudited 6 months to 31 <sup>st</sup> July 2022 £'000	Unaudited 6 months to 31 <sup>st</sup> July 2023 £'000	Unaudited 6 months to 31 <sup>st</sup> July 2022 £'000	Unaudited 6 months to 31 <sup>st</sup> July 2023 £'000	Unaudited 6 months to 31 <sup>st</sup> July 2022 £'000

#### Non-current assets

Property, plant and equipment	43	51	29	39	72	90
Right-of-use asset	355	428	235	326	590	754
Investments - equity portfolio	59,398	91,180	74,091	69,218	133,489	160,398
Loans and receivables	8,291	2,469	5,450	1,680	13,741	4,149
	<b>68,087</b>	<b>94,128</b>	<b>79,805</b>	<b>71,263</b>	<b>147,892</b>	<b>165,391</b>
<b>Current assets</b>						
Investments - assets held for sale	52,326	-	-	-	52,326	-
Investments - treasury portfolio	80	2,563	-	-	80	2,563
Trade and other receivables	5,077	6,187	1,338	532	6,415	6,719
Cash and cash equivalents	4,257	11,558	-	-	4,257	11,558
	<b>61,740</b>	<b>20,308</b>	<b>1,338</b>	<b>532</b>	<b>63,078</b>	<b>20,840</b>
<b>Total assets</b>						
	<b>129,827</b>	<b>114,436</b>	<b>81,143</b>	<b>71,795</b>	<b>210,970</b>	<b>186,231</b>
<b>Non-current liabilities</b>						
Lease liabilities	(304)	(389)	(201)	(295)	(505)	(684)
Deferred tax liabilities	-	-	(5,604)	(4,791)	(5,604)	(4,791)
	<b>(304)</b>	<b>(389)</b>	<b>(5,805)</b>	<b>(5,086)</b>	<b>(6,109)</b>	<b>(5,475)</b>
<b>Current liabilities</b>						
Trade and other payables	(1,223)	(727)	(3)	(93)	(1,226)	(820)
Lease liabilities	(108)	(97)	(72)	(74)	(180)	(171)
	<b>(1,331)</b>	<b>(824)</b>	<b>(75)</b>	<b>(167)</b>	<b>(1,406)</b>	<b>(991)</b>
<b>Total liabilities</b>						
	<b>(1,635)</b>	<b>(1,213)</b>	<b>(5,880)</b>	<b>(5,253)</b>	<b>(7,515)</b>	<b>(6,466)</b>
<b>Net assets</b>						
	<b>£128,192</b>	<b>£113,223</b>	<b>£75,263</b>	<b>£66,542</b>	<b>£203,455</b>	<b>£179,765</b>
<b>Additions to property, plant and equipment</b>						
	3	5	4	4	7	9
<b>Depreciation and amortisation of property, plant and equipment</b>						
	(56)	(55)	(38)	(41)	(94)	(96)
<b>Release of provision against investments and loans</b>						
	12	7	-	-	12	7
<b>Cash flow arising from:</b>						
Operating activities	(6,638)	(896)	537	7,446	(6,101)	6,550
Investing activities	593	(2,515)	-	-	593	(2,515)
Financing activities	(1,799)	(1,105)	-	-	(1,799)	(1,105)
<b>Change in cash and cash equivalents</b>						
	<b>(7,844)</b>	<b>(4,516)</b>	<b>537</b>	<b>7,446</b>	<b>(7,307)</b>	<b>2,930</b>

Geographic segment 1:	Geographic segment 2:	Group
<i>UK</i>	<i>Non-UK</i>	
Audited	Audited	Audited
31 <sup>st</sup> January	31 <sup>st</sup> January	31 <sup>st</sup> January

	2023	2023	2023
	£'000	£'000	£'000
<b>Operating income</b>	8,217	24,162	32,379
Operating expenses	(2,759)	(2,130)	(4,889)
<b>Segment operating profit</b>	<b>5,458</b>	<b>22,032</b>	<b>27,490</b>
Financial income	73	57	130
Financial expenses	(50)	(38)	(88)
Exchange movements	30	28	58
<b>Profit before tax</b>	<b>5,511</b>	<b>22,079</b>	<b>27,590</b>
Income taxes	-	(3,747)	(3,747)
<b>Profit for the year</b>	<b>£5,511</b>	<b>£18,332</b>	<b>£23,843</b>

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
	Audited 31 <sup>st</sup> January 2023	Audited 31 <sup>st</sup> January 2023	Audited 31 <sup>st</sup> January 2023
<b>Investee Company</b>			
XPT Group LLC	13,594	42	2
Paladin Holdings Limited	10,304	32	1
Lilley Plummer Holdings Limited	5,186	16	1
ATC Insurance Solutions PTY Limited	4,726	15	2
Stewart Specialty Risk Underwriting Limited	3,211	10	2

	Geographic segment 1: UK	Geographic segment 2: Non-UK	Group
	Audited 31 <sup>st</sup> January 2023	Audited 31 <sup>st</sup> January 2023	Audited 31 <sup>st</sup> January 2023
	£'000	£'000	£'000
<b>Non-current assets</b>			
Property, plant and equipment	45	34	79
Right-of-use asset	386	285	671
Investments - equity portfolio	98,704	72,757	171,461
Loans and receivables	5,712	2,408	8,120
	<b>104,847</b>	<b>75,484</b>	<b>180,331</b>
<b>Current assets</b>			
Investments - assets held for sale	-	-	-
Investments - treasury portfolio	591	-	591

Trade and other receivables	4,777	506	5,283
Cash and cash equivalents	11,564	-	11,564
	16,932	506	17,438
<b>Total assets</b>	<b>121,779</b>	<b>75,990</b>	<b>197,769</b>
<b>Non-current liabilities</b>			
Lease liabilities	(343)	(253)	(596)
Deferred tax liabilities	-	(5,631)	(5,631)
	(343)	(5,884)	(6,227)
<b>Current liabilities</b>			
Trade and other payables	(1,733)	(97)	(1,830)
Lease liabilities	(101)	(74)	(175)
	(1,834)	(171)	(2,005)
<b>Total liabilities</b>	<b>(2,177)</b>	<b>(6,055)</b>	<b>(8,232)</b>
<b>Net assets</b>	<b>£119,602</b>	<b>£69,935</b>	<b>£189,537</b>

<b>Additions to property, plant and equipment</b>	6	5	11
<b>Depreciation and amortisation of property, plant and equipment</b>	(111)	(82)	(193)
<b>Release of provision against investments and loans</b>	30	-	30
<b>Cash flow arising from:</b>			
Operating activities	(1,812)	6,493	4,681
Investing activities	(515)	-	(515)
Financing activities	(1,230)	-	(1,230)
<b>Change in cash and cash equivalents</b>	<b>(3,557)</b>	<b>6,493</b>	<b>2,936</b>

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 2023 and 2022 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:

	Unaudited 31 <sup>st</sup> July 2023 %	Unaudited 31 <sup>st</sup> July 2022 %	Audited 31 <sup>st</sup> January 2023 %
UK	36	38	37
Non-UK	64	62	63

Total	100	100	100
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### 3. EARNINGS AND NET ASSET VALUE PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS

	Unaudited 31 <sup>st</sup> July 2023 £'000	Unaudited 31 <sup>st</sup> July 2022 £'000	Audited 31 <sup>st</sup> January 2023 £'000
<b>Earnings</b>			
Earnings for the purposes of basic and diluted earnings per share being total comprehensive income attributable to equity shareholders	15,552	14,097	23,843
Earnings per share - basic	43.3p	39.1p	66.2p
Earnings per share - diluted	41.6p	37.6p	63.6p
<b>Number of shares</b>			
	Number	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	35,958,783	36,013,276	36,017,964
Number of dilutive shares under option	1,443,147	1,443,147	1,443,147
Weighted average number of ordinary shares for the purposes of dilutive earnings per share	37,401,930	37,456,423	37,461,111
<b>Net Asset Value</b>			
Net Asset Value for the purposes of basic Net Asset Value per share being total Net Asset Value attributable to equity shareholders	203,455	179,765	189,537
Net Asset Value for the purposes of diluted Net Asset Value per share being total Net Asset Value attributable to equity shareholders	207,510	183,871	193,643
Net Asset Value per share - basic	567.3p	499.0p	526.2p
Net Asset Value per share - diluted	556.3p	490.8p	516.9p
<b>Number of shares</b>			
	Number	Number	Number
Number of ordinary shares for the purposes of basic Net Asset Value per			

share	35,860,775	36,022,853	36,018,003
Number of dilutive shares under option	1,443,147	1,443,147	1,443,147
Number of ordinary shares for the purposes of dilutive Net Asset Value per share	<u>37,303,922</u>	<u>37,466,000</u>	<u>37,461,150</u>

During the period the Company paid a total of £691,820, including commission, in order to repurchase 190,008 ordinary shares at an average price of 363 pence per share (6 months to 31<sup>st</sup> July 2022: no share repurchases undertaken and 12 months to 31<sup>st</sup> January 2023: the Company paid £16,191, including commission, to repurchase 4,850 ordinary shares at an average price of 330 pence per share).

#### Ordinary shares held by the Company in Treasury

Movement of ordinary shares held in Treasury:	Unaudited	Unaudited	Audited
	31 <sup>st</sup> July 2023	31 <sup>st</sup> July 2022	31 <sup>st</sup> January 2023
	Number	Number	Number
Opening total ordinary shares held in Treasury	4,850	9,542	9,542
Ordinary shares repurchased into Treasury during the period	190,008	-	4,850
Ordinary shares transferred to the B.P. Marsh SIP Trust during the period	(32,780)	(9,542)	(9,542)
<b>Total ordinary shares held in Treasury at period end</b>	<b><u>162,078</u></b>	<b>-</b>	<b><u>4,850</u></b>

The Treasury shares do not have voting or dividend rights and have therefore been excluded for the purposes of calculating earnings per share and basic 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<sup>th</sup> January 2023, its policy has been throughout the period, 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<sup>th</sup> January 2023, and in accordance with its Share Buy-Back Policy announcement on 17<sup>th</sup> 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 12<sup>th</sup> 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 (Note 10) within an Employee Benefit Trust, 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. 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<sup>st</sup> January 2022.

During the 6 months to 31<sup>st</sup> July 2022, 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<sup>st</sup> July 2023 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.

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 excludes the 1,443,147 shares currently held within the Employee Benefit Trust 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 (£4,055,243) on the 1,443,147 shares held within the Employee Benefit Trust for the same reasons. On this basis the current undiluted net asset value per share is 567.3 pence for the Group. When the joint share ownership arrangements are eventually exercised, 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 £4,055,243. The diluted net asset value per share is therefore 556.3 pence.

The diluted weighted average number of ordinary shares at 31st July 2023 has been calculated by proportioning the 1,443,147 shares held under joint share ownership arrangements from the vesting date over the period.

The decrease to the weighted average number of ordinary shares between the 2022 and 2023 half year periods is mainly attributable to the 190,008 ordinary shares repurchased into Treasury during the period, offset by the 32,780 ordinary shares transferred from Treasury to the SIP Trust during the period that 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<sup>th</sup> April 2023 (Note 10).

#### 4. NON-CURRENT INVESTMENTS - EQUITY PORTFOLIO

##### Group Investments

Unaudited  
31<sup>st</sup> July 2023

	Continuing investments	Current Assets - Investments held for sale	Total
	£'000	£'000	£'000
<b>At valuation</b>			
At 1 <sup>st</sup> February	171,461	-	171,461
Transfers between categories	(52,326)	52,326	-
Additions	431	-	431
Disposals	(832)	-	(832)
Unrealised gains in this period	14,755	-	14,755
At period end	<u>£133,489</u>	<u>£52,326</u>	<u>£185,815</u>
<b>At cost</b>			
At 1 <sup>st</sup> February	59,321	-	59,321
Transfers between categories	(12,927)	12,927	-
Additions	431	-	431
Disposals	(832)	-	(832)
At period end	<u>£45,993</u>	<u>£12,927</u>	<u>£58,920</u>

Unaudited  
31<sup>st</sup> July 2022

Continuing investments	Current Assets - Investments held	Total
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	£'000	for sale £'000	£'000
<b>At valuation</b>			
At 1 <sup>st</sup> February	141,245	8,104	149,349
Additions	2,941	-	2,941
Disposals	-	(8,104)	(8,104)
Unrealised gains in this period	16,212	-	16,212
At period end	£160,398	£ -	£160,398
<b>At cost</b>			
At 1 <sup>st</sup> February	56,380	6,096	62,476
Additions	2,941	-	2,941
Disposals	-	(6,096)	(6,096)
At period end	£59,321	£ -	£59,321

**Audited**  
**31<sup>st</sup> January 2023**

	Continuing investments £'000	Current Assets - Investments held for sale £'000	Total £'000
<b>At valuation</b>			
At 1 <sup>st</sup> February 2022	141,245	8,104	149,349
Transfers between categories	-	-	-
Additions	2,941	-	2,941
Disposals	-	(8,104)	(8,104)
Unrealised gains in this period	27,275	-	27,275
At 31 <sup>st</sup> January 2023	£171,461	£ -	£171,461
<b>At cost</b>			
At 1 <sup>st</sup> February 2022	56,380	6,096	62,476
Transfers between categories	-	-	-
Additions	2,941	-	2,941
Disposals	-	(6,096)	(6,096)
At 31 <sup>st</sup> January 2023	£59,321	£ -	£59,321

The additions relate to the following transactions in the period:

On 28<sup>th</sup> 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<sup>st</sup> 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.

The disposals relate to the following transactions in the period:

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

On 21<sup>st</sup> 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 6) based upon the Group's carrying value of the investment of £132,000 as at 31<sup>st</sup> 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<sup>th</sup> June 2023 and is currently a dormant company until such time that it receives its own regulatory approvals.

The amounts included under 'Current Assets - Investments held for sale' in respect of the current period relate to two equity investment disposals that have completed since 31<sup>st</sup> July 2023.

On 11<sup>th</sup> 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<sup>st</sup> July 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<sup>st</sup> July 2023 total loans to Paladin amounted to £5,096,500 and following the aforementioned transaction stood at £5,900,500 at the date of this report.

On 9<sup>th</sup> October 2023 the Group completed the disposal of its entire 18.7% shareholding in Kentro Capital Limited ("Kentro"), pursuant to an agreement dated 22<sup>nd</sup> 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<sup>st</sup> 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 £524,254 to Brown & Brown Holdco UK 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 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	30.06.22	1,865,711	359,585	Holding company for specialist Australian agricultural Managing General Agency
Asia Reinsurance Brokers Pte Limited	25.00	31.05.22	1,936,111	(309,209)	Specialist reinsurance broker
ATC Insurance Solutions PTY Limited	25.56	30.06.22	12,408,535	3,403,228	Specialist Australian Managing General Agency

Criterion Underwriting Pte Limited <sup>1</sup>	29.40	31.05.20	(445,842)	(32,019)	Specialist Singaporean Managing General Agency
EC3 Brokers Group Limited	35.00	31.12.20	(9,705,910)	(6,757,003)	Investment holding company
The Fiducia MGA Company Limited	35.18	31.12.22	(165,860)	772,640	Specialist UK Marine Cargo Underwriting Agency
Kentro Capital Limited	18.70	31.12.22	20,771,158	547,177	Specialist Managing General 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	31.03.22	3,918,814	228,720	Investment holding company
New Denison Limited <sup>2</sup>	40.00	-	-	-	Dormant company
Paladin Holdings Limited <sup>3</sup>	47.06	31.12.21	232,397	1,037,846	Investment holding company
Pantheon Specialty Limited <sup>4</sup>	25.00	-	-	-	Holding company for specialist insurance broker
Sage Program Underwriters Inc <sup>5</sup>	30.00	-	-	-	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 <sup>6</sup>	35.00	-	-	-	Specialist Managing General Agency
XPT Group LLC	27.30	31.12.22	(15,816,546)	(13,034,338)	USA Specialty lines insurance distribution company

<sup>1</sup>Recent statutory financial information is not available for Criterion Underwriting Pte Limited as the company is not currently trading.

<sup>2</sup>New Denison Limited is a newly incorporated company that is not currently trading. Statutory accounts are not available as these are not yet due.

<sup>3</sup>The Group's 47.06% equity investment in Paladin Holdings Limited ("Paladin") includes 5.88% relating to shares held under option that can be bought back and cancelled. Since 31<sup>st</sup> July 2023 this option has been fully exercised by Paladin and the shares cancelled. Following the cancellation, the Group's shareholding has reduced to 43.75%.

<sup>4</sup>Pantheon Specialty Limited is a newly incorporated company. Statutory accounts are not available as these are not yet due. On 8<sup>th</sup> September 2023 Pantheon Specialty Limited changed its name to Pantheon Specialty Group Limited.

<sup>5</sup>Sage Program Underwriters, Inc. is a newly incorporated company. Statutory accounts are not available as these are not yet due.

<sup>6</sup>Verve Risk Services Limited is a newly incorporated company. Statutory accounts are not available as these are not yet due.

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.

## 5. CURRENT INVESTMENTS - TREASURY PORTFOLIO

<b>Group</b>	Unaudited	Unaudited	Audited
<b>At valuation</b>	31 <sup>st</sup> July	31 <sup>st</sup> July	31 <sup>st</sup> January
	2023	2022	2023
	£'000	£'000	£'000
Market value at 1 <sup>st</sup> February	11,337	-	-
Additions at cost	1,000	10,000	19,117
Disposals	(10,006)	-	(7,867)
Change in value in the period	89	57	87
<b>Market value at period end</b>	<b>£2,420</b>	<b>£10,057</b>	<b>£11,337</b>
<u>Disclosed as:</u>			
Cash and cash equivalents	2,340	7,494	10,746
Investments - treasury portfolio	80	2,563	591
<b>Total</b>	<b>£2,420</b>	<b>£10,057</b>	<b>£11,337</b>
<u>Investment fund split:</u>			
GAM London Limited	12	5,000	3,045
Rathbone Investment Management Limited	2,408	5,057	8,292
<b>Total</b>	<b>£2,420</b>	<b>£10,057</b>	<b>£11,337</b>

The treasury portfolio comprises of investment funds managed and valued by the Group's investment managers, GAM London Limited and Rathbone Investment Management 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 period.

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

The funds are risk bearing and therefore their value not only can increase, but also has 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.

As at 31<sup>st</sup> July 2023, of the total £2,419,764 held within the funds (as at 31<sup>st</sup> July 2022: £10,057,461 and as at 31<sup>st</sup> January 2023: £11,336,879), only £79,992 (31<sup>st</sup> July 2022: £2,563,188 and 31<sup>st</sup> January 2023: £590,897) was risk bearing, with the remaining funds of £2,339,772 (31<sup>st</sup> July 2022: £7,494,273 and 31<sup>st</sup> January 2023: £10,745,982) being non-risk interest bearing deposits.

Investment management costs of £5,667 (6 months to 31<sup>st</sup> July 2022: £18,031 and 12 months to 31<sup>st</sup> January 2023: £40,737) were charged to the Consolidated Statement of Comprehensive Income during the period.

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

The realised (losses) / gains on disposal of investments for the period comprises of a net loss of £(40,689) (6 months to 31<sup>st</sup> July 2022 and 12 months to 31<sup>st</sup> January 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<sup>st</sup> February 2023 (Note 4). There were no releases of previously unrealised gains or losses to Retained Earnings from the Fair Value Reserve as a result of the this disposal as the investment had been held at cost.

The above realised loss arising from the disposal of Denison and Partners has been offset by a realised gain of £91,311 relating to an additional capital distribution recognised during the period from the Group's former investment in Summa Insurance Brokerage, S.L. ("Summa") which was sold during the year to 31<sup>st</sup> January 2022.

The amount included in realised gains on disposal of investments for the 6 months to 31<sup>st</sup> July 2022 and 12 months to 31<sup>st</sup> 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 6 months to 31<sup>st</sup> July 2022 from the Group's former investment in MB Prestige Holdings PTY Limited which was sold during the year to 31<sup>st</sup> January 2022.

£19,838 of this net gain was in respect of the Group's disposal of its entire 77.25% investment in Summa for consideration of £8,123,838, compared to the fair value of £8,104,000 at 1<sup>st</sup> 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 period/year.

## 7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	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 <sup>st</sup> February 2023	3,747	29,350	106,509	393	7	72	49,459	189,537
Profit for the period	-	-	14,782	-	-	-	770	15,552
Dividends paid	-	-	-	-	-	-	(1,000)	(1,000)
Repurchase of Company shares (Note 3)	-	-	-	-	-	-	(692)	(692)
Share Incentive Plan (Note 10)	-	(2)	-	-	-	-	60	58
At 31 <sup>st</sup> July 2023	<u>£3,747</u>	<u>£29,348</u>	<u>£121,291</u>	<u>£393</u>	<u>£7</u>	<u>£72</u>	<u>£48,597</u>	<u>£203,455</u>

## 8. LOAN AND EQUITY COMMITMENTS

On 26<sup>th</sup> June 2020 the Group entered into an agreement to provide Sage Program Underwriters, Inc. with a loan facility of USD 250,000. As at 31<sup>st</sup> July 2023 USD 150,000 had been drawn down, leaving a remaining undrawn facility of USD 100,000. Any drawdown is subject to satisfying certain agreed criteria.

## 9. DEFERRED TAX AND CONTINGENT LIABILITIES

<u>Group</u>	Unaudited 31 <sup>st</sup> July 2023 £'000	Unaudited 31 <sup>st</sup> July 2022 £'000	Audited 31 <sup>st</sup> January 2023 £'000
At 1 <sup>st</sup> February	5,631	1,898	1,898
Tax movement relating to investment revaluation for the period	(27)	2,893	3,733
<b>At period end</b>	<u><b>£5,604</b></u>	<u><b>£4,791</b></u>	<u><b>£5,631</b></u>

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 recognised 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 £5,604,000 has been made as at 31<sup>st</sup> July 2023 (6 months to 31<sup>st</sup> July 2022: £4,791,000 and full year to 31<sup>st</sup> January 2023: £5,631,000).

The deferred tax provision of £5,604,000 as at 31<sup>st</sup> July 2023 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<sup>st</sup> July 2023, 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 12%. 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 March 2021 Budget announced that the UK corporation tax would increase from 19% to 25% (effective 1<sup>st</sup> April 2023) and Finance Bill 2021 was considered substantively enacted in May 2021. This change in tax rate has had no material impact on the Group financial statements for the period ended 31<sup>st</sup> July 2023 and for 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.

## 10. SHARE BASED PAYMENT ARRANGEMENTS

### *Joint Share Ownership Plan*

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

On 12<sup>th</sup> 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 have been 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<sup>th</sup> June 2018. Following the acquisition of the Trustee by JTC Plc on 10<sup>th</sup> 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.

Alternatively, on or after vesting, 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.

Participants will therefore receive value from the jointly-owned shares only if and to the extent that the share value grows above the initial market value plus the carrying cost to the date of vesting.

The employees and directors received an interest in jointly owned shares and a Joint Share Ownership Plan ("JSOP") is not an option, however the convention for JSOPs is to treat them as if they were options. The value of the employee's interest for accounting purposes is calculated using the Expected Return Methodology.

The risk-free rates are based on the yield on UK Government Gilts of a term consistent with the assumed option life.

On 12<sup>th</sup> 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. Whilst these shares remain within the Employee Benefit Trust, they do not have voting or dividend rights. However, if the shares are sold from the Employee Benefit Trust in the future in excess of 281 pence per share, the Group would be entitled to receive £4,055,243 in total. These shares would then, post-sale, have voting and dividend rights attached, such that they would become fully dilutive for the Group.

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<sup>st</sup> January 2022.

During the 6 months to 31<sup>st</sup> July 2022, 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<sup>st</sup> July 2023 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.

#### *Share Incentive Plan*

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

During the period a total of 32,780 ordinary shares in the Company, of which 4,850 were held in Treasury as at 31<sup>st</sup> January 2023 and 27,930 were from shares bought back into Treasury during the current period (6 months to 31<sup>st</sup> July 2022 and also 12 months to 31<sup>st</sup> January 2023, 9,542 ordinary shares in the Company, which were held in Treasury as at 31<sup>st</sup> 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 (6 months to 31<sup>st</sup> July 2022 and also 12 months to 31<sup>st</sup> January 2023: 31,801 ordinary shares were available for allocation, including 4,104 unallocated ordinary shares already held within the SIP Trust as at 31<sup>st</sup> January 2022 and 18,155 unallocated ordinary shares transferred from the Employee Benefit Trust to the SIP Trust in April 2022).

On 14<sup>th</sup> 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 (6 months to 31<sup>st</sup> July 2022 and also 12 months to 31<sup>st</sup> January 2023: 31,801) Free, Matching and Partnership Shares were granted to the 11 (6 months to 31<sup>st</sup> July 2022 and also 12 months to 31<sup>st</sup> January 2023: 11) eligible employees during the period, including 8,940 (6 months to 31<sup>st</sup> July 2022 and also 12 months to 31<sup>st</sup> January 2023: 8,673) granted to 3 (6 months to 31<sup>st</sup> July 2022 and also 12 months to 31<sup>st</sup> January 2023: 3) executive directors of the Company.

No ordinary shares were withdrawn from the SIP Trust during the period (6 months to 31<sup>st</sup> July 2022 and 12 months to 31<sup>st</sup> January 2023: No withdrawals).

As at 31<sup>st</sup> July 2023, 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.

£38,427 of the IFRS 2 charges (6 months to 31<sup>st</sup> July 2022: £42,009 and 12 months to 31<sup>st</sup> January 2023: £84,714) associated with the award of the SIP shares to the 11 (6 months to 31<sup>st</sup> July 2022 and also 12 months to 31<sup>st</sup> January 2023: 11) eligible directors and employees of the Company have been recognised in the Statement of Comprehensive Income as employment expenses.

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

-Ends-

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